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U.S. Official Sees Risk of Deflation in Europe

By Alan Friedman
International Herald Tribune

PARIS — Europe's economic slowdown has brought with it an increased risk of deflation, an American official said after a weekend meeting of top financial officials from the Group of Seven industrialized nations.

Most European finance ministers and central bankers have not acknowledged that low inflation rates in France and Germany may be the result of deflationary pressures, caused partly by tight economic policies and high interest rates.

The Group of Seven appears satisfied with the dollar. Page 8.

But the risk of a deflationary trend — a situation in which falling prices contribute to the slowing of economic growth — was noted during an interview here with Lawrence Summers, the U.S. deputy Treasury secretary.

Mr. Summers said he was pleased with Europe's progress in bringing down the level of inflation by deficit-cutting measures. He added, in reply to a question: "Most measures of inflation are still positive, but certainly the degree of danger on the deflation side relative to the inflation side is greater than it has been in the past."

The U.S. Treasury official, emerging Saturday night from a meeting of Group of Seven finance officials and central-bank chiefs, said he and his counterparts at the meeting considered Europe's slowdown a "source of concern" and stressed that "the priority now is maintaining the recovery."

Mr. Summers and the other G-7 officials generally sought to boost con-

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Paul Richards/Agence France-Presse

THAT SINKING FEELING — A car abandoned Sunday in the Georgetown section of Washington as floodwaters soaked the U.S. capital. Page 8.

Russians Back Away From Nuclear Pacts

U.S. Says Balking by Moscow Has Stopped Mutual Inspections

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Moscow has balked at carrying out any of the nuclear-security and weapons-inspection agreements announced by President Bill Clinton and President Boris N. Yeltsin at a summit meeting last May, throwing up a major roadblock to U.S.-Russian cooperation on key security issues, American officials say.

After a promising start of discussions on how to carry out the agreements, the Russians have pulled back and essentially suspended the talks, according to several officials, who said they were perplexed and frustrated by the developments.

Germany and the U.S. clash over a nuclear research reactor. Page 5.

Officials at the State Department, the White House and the Arms Control and Disarmament Agency said it was unclear why the Russians have backed away. What is clear, they said, is that the mutual inspections and data exchanges on weapons and nuclear materials — which the presidents said would occur — are not about to happen.

The failure to carry through on the agreements does not by itself threaten U.S. security or U.S.-Russian relations, the officials said.

But in the context of other recent developments in Russia — such as the removal of almost all pro-Western reformers from Mr. Yeltsin's government and the appointment of a Russian nationalist, Yevgeni M. Primakov, as foreign minister — the stalling adds to a troubling pattern that has clouded relations with Moscow.

"We hope to implement all the agreements presidents Clinton and Yeltsin arrived at during their Moscow summit," said the State Department spokesman, Nicholas Burns. "Over the past couple of years we have found that some of these arms agreements are very difficult, and it is sometimes necessary to bring in senior officials because the bureaucracy in both countries can only take them so far."

He added that the United States and Russia were cooperating on many other issues, like the peacekeeping mission in Bosnia-Herzegovina.

On May 10, Mr. Clinton and Mr. Yeltsin issued a "Joint Statement on the Transparency and Irreversibility of the Process of Reducing Nuclear Weapons," containing measures by which each country could assure itself that the other was carrying out reductions.

They said the two countries would "exchange on a regular basis" detailed information on their stockpiles of weapons and nuclear materials. They also said they would undertake "reciprocal monitoring" of the facilities where they store nuclear materials that are removed from dismantled warheads.

And they said they would "seek to conclude in the shortest possible time" a legal agreement ensuring protection of the exchanged data. None of that has happened. The legal agreement was never negotiated, making it impossible to exchange classified data and develop the "chain of custody" agreement wanted the United States.

In the declaration, Mr. Clinton and

See RUSSIA, Page 8

U.S. Keeps Watch

A senior Treasury Department official said that Washington was monitoring very closely Russia's commitment to reforms following changes in key personnel in Moscow. (Page 8)

The Dawn of Palestinian Legitimacy

By Serge Schmemann
New York Times Service

JERUSALEM — The start of Ramadan, the Muslim month of repentance, brought a somber curtain down Sunday on celebrations of the Palestinian election, but not before Palestinian radio blared out a final round of jubilant proclamations that "a new day has dawned over Palestine."

Final tallies were still unavailable, but they were almost unnecessary. All the candidates had promised roughly the same things, and Yasser Arafat remained the Palestinian leader.

Mr. Arafat's patchy record to date on civil rights, the predominance of his Fatah in the new 88-seat Palestinian Council and the inherent conservatism of Palestinian society, where large clans are still the basic unit and marriages are

NEWS ANALYSIS

as often arranged as not, all guaranteed that democracy was still a long way off in the Palestinian "entity."

But Palestinian radio was not wrong. What had dawned with the election was not yet democracy, but legitimacy — for Mr. Arafat's leadership, for the negotiations with Israel, and above all for the claims of Palestinians to nationhood.

"Palestinian society is only just beginning, and yet its sweet fragrance is already intoxicating the masses," wrote Yediot Ahronot, Israel's most popular newspaper, in its editorial.

"It is sweeping the Palestinian people behind it. An 'intifada of democracy' is how the elections were described by residents of the 'territories' — which are no longer 'territories.' They are an independent, national Palestinian entity, with a freely elected self-rule."

Though hard-line Israeli nationalists and Arab rejectionists were quick to

See ARAFAT, Page 8

Radical Palestinian Rejects Israeli Offer

Reuters

DAMASCUS — The radical Palestinian leader George Habash on Sunday spurned an offer by Israel to return to Palestinian autonomous areas in the West Bank and Gaza Strip to help the PLO amend its constitution, which calls for Israel's destruction.

Along with other radical Palestinian groups based in Syria, he denounced the Palestinian elections, which resulted in a landslide victory by Yasser Arafat, the leader of the Palestine Liberation Organization.

German Police Arrest Lebanese in Hostel Fire

Compiled by Our Staff From Dispatches

LUBECK, Germany — The police arrested a Lebanese man accused of setting a lethal fire in a foreigners' hostel after he told a firefighter at the scene of the blaze that "we were the ones," prosecutors said Sunday.

That comment and the 21-year-old suspect's intimate knowledge of circumstances surrounding the fire that killed 10 people in this northern city Thursday led authorities to focus their probe on him, they told reporters.

But a lawyer for the suspect, identified only as Safwan E., denied the man had made any such comment. The man, who lived in the hostel with his family, has maintained his innocence since he was taken into custody.

The suspect, who lived in the house with his family, was arrested Saturday on 10 counts of murder, 38 counts of attempted murder, arson and other charges.

Authorities suggested that he might have been involved in a dispute with other residents of the house.

German politicians, who expressed shock last week when neo-Nazis were the prime suspects, said Sunday that Germans should not feel a sense of relief at the latest turn of events.

Hans-Jochen Vogel, former chairman of the opposition Social Democrats, said Germans instead should "reflect seriously" on why so many thought such an attack by right-wing radicals in Germany was possible.

Attacks by right-wing groups on immigrants soared after unification in 1990, peaking in 1993.

Assaults have steadily declined since then, partly a result of a crackdown on such groups and a change in Germany's asylum law that resulted in fewer foreigners admitted.

Former President Richard von Weizsäecker, however, said Germans should not feel relieved at the news that a foreigner might have been responsible for the crime in Lübeck.

He and Mr. Vogel, appearing on television Sunday, called for continuing efforts to ensure coexistence of different cultures in Germany. *(Reuters, AP)*

AGENDA

Refugees Flee For Tanzania

BUJUMBURA, Burundi (Reuters) — About 16,000 more Hutu refugees from Rwanda have fled a camp in northeastern Burundi and are trying to get into Tanzania, the UN High Commissioner for Refugees said Sunday.

The exodus from a camp in Ntamba was apparently inspired by fear of the Tutsi-dominated Burundian Army, which reportedly attacked a nearby camp in Mugano last week.

About 14,000 of the Mugano refugees had crossed the border by Saturday, but Tanzania said they could not stay for long.

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Newsstand Prices

Andorra	10.00 FF	Morocco	14 Dh
Antilles	12.50 FF	Qatar	10.00 Rials
Cameroon	1,600 CFA	Réunion	12.50 FF
Egypt	£E 5	Saudi Arabia	10.00 R.
France	10.00 FF	Senegal	1,100 CFA
Gabon	1100 CFA	Spain	225 PTAS
Greece	350 Dr.	Tunisia	1,250 Din
Italy	2,800 Lire	Turkey	T.L. 60,000
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20
Lebanon	US$ 1.80		

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Overseas Tax Exemption Is Likely to Survive

International Herald Tribune

PARIS — Americans living abroad are unlikely to lose their $70,000 income tax exemption under the balanced-budget legislation that is being negotiated between the White House and Congress, a senior U.S. official said over the weekend.

While stressing that he could not offer a definitive view since the final decision will be up to Congress, Lawrence Summers, the deputy Treasury secretary, said in an interview that he expected only "minor changes" to the exemption.

The tax clause, known as Section 911, is defended vociferously by most Fortune 500 U.S. companies as an important tool in promoting U.S. exports.

"The exemption for U.S. citizens might be altered," said Mr. Summers, "but I would be very surprised if it were eliminated." He added that the issue would be one of many to be discussed with U.S. legislators, but offered his opinion that "I don't think Congress would abolish it altogether."

The exclusion, first enacted in 1926 as an incentive for U.S. exports, allows Americans living outside the United States to earn up to $70,000 a year without owing any U.S. income tax. Earnings beyond this level are subject to tax, and Americans are taxed even on the first $70,000 anyway in many countries.

The danger of a repeal of Section 911 has come under fire from business interests since the proposal was contained in a balanced-budget proposal prepared by the Senate minority leader, Thomas A. Daschle, and endorsed by President Bill Clinton earlier this month.

—ALAN FRIEDMAN

Galliano's Theatrics at Givenchy

By Suzy Menkes
International Herald Tribune

PARIS — John Galliano's much-awaited show for Givenchy was a fashion moment that missed.

"Shaken ... But Not Stirred" — names given to two lime green dance dresses — summed up the emotion missing from the Givenchy debut. For all its poetry and theater, the show did not propel haute couture into the next millenium or define a new image for the house, whose founder, Hubert de Givenchy, retired last year.

Even two crinolined models, perched on a pile of matresses like the princess and the pea, could not weave a web of enchantment in the sports stadium that the 35-year-old British designer had swagged with ink-blue fabric.

"I loved it and I'm going to wear it," said Tina Turner, sitting in the packed front row Sunday. But Joan Collins said: "I'm disappointed, although there are great individual pieces especially if you are going to play Auntie Mame."

The show opened with the swish of crinolines and trailing trains. It then moved swiftly into the 1920s for wrap dresses and cloche hats; through the sinuous 1930s dresses that are Galliano's signature toward almost modern life: strict 1940s suits with sharp shoulders and bows on breasts and hips. They had a sleek charm.

Interspersed with the costume drama were black tuxedos, impeccably cut and with a passing resemblance to daywear. It was a joy throughout to see Galliano's fervent imagination allied to the technical skill of haute couture, to create a woven silver filigree evening jacket, or to tuck sumptuous fabrics into tiny pleats.

Nobody was expecting or wanting Galliano to go commercial least of all

The new couture season may turn out to be more bread and circuses than clothes.

the house's owner, Bernard Arnault, whose skill is to market luxury products on a strong image.

"For me the goal of couture is creativity and I am looking to Galliano for that," Arnault said before the show.

But Givenchy's executives and fellow designers, who included Gianfranco Ferré, Oscar de la Renta and Gianni Versace, must have searched in vain for a thread linking the exquisite outfits to Givenchy's 44-year history. Just this billowing French maid's blouse perhaps? Or a liquorice-black satin column?

The most obvious references were to Galliano's own recent past. He has already shown Empress Sissie crinolines, even if the Givenchy versions were in succulent sugared-almond colored silks and opened over pin-striped pants. We saw at his own October show a parasol. For Givenchy, that came in orange saree fabric with its dress twisted in a couture corkscrew round the body.

The program named it Marigold Firefly, catching couture's elusive poetry more effectively than the show itself.

The spring/summer couture season may turn out to be more bread and circuses than clothes.

Blowing air kisses and clutching at hands, Gianni Versace took a bow at the end of his weekend frock 'n roll show. Smack. One for Sting, sitting center front in leather pants, floppy shirt and hunky boots. Another for Jon Bon Jovi. And all the while Elton John pounding out the soundtrack especially composed for his designer pal.

Was this a rock show or what? "In the Jungle" sang Elton, while models prowled down the mirrored runway at the Ritz Hotel in panther and zebra prints or slithers of leather and lace.

The designer offered a printed music program of a "first world hearing." The clothes were defined by the lyrics. "The bitch is back" for dresses so sheer that buttocks were revealed in op-art patterned underpants. "Made in England" brought brief 1960s coats

See GIVENCHY, Page 8



Christopher Moore

John Galliano's poetic pastel crinoline with filigree for Givenchy.

A Continent Unprepared / **12 Million Cases Expected by 2000**

AIDS Epidemic Catches Up With Asia

By Philip Shenon
New York Times Service

LOPBURI, Thailand — A ribbon of acrid, pale yellow smoke rose from the crematory as a Buddhist monk approached, clutching one end of his saffron robe in a bony, withered hand.

His skin was mottled, his body wasting away, from the disease that would soon take his life, just as it had killed two other Thai men whose corpses had been committed to the fire only hours before.

"I know that my body will end up here," said the AIDS-stricken monk, Phra Kamthorn Kitisalo, as he led his visitors into the crematory. "Of course I accept that."

In a corner, set beneath a gilded statue of Buddha, there was a pile of dozens of fist-sized white cotton bags, each containing the ashes from an earlier cremation. The name of the dead was written across each bag.

The 38-year-old monk gently picked up some of the bags and read out the names. "All of these people died of AIDS, and the ashes stay here because the families are afraid to claim them," he said. "They are afraid that they will get sick if they hold the ashes."

Thailand was among the first countries in Asia to fall victim to AIDS, the disease that is now beginning to ravage the world's most populous continent. And perhaps nowhere is the devastation of the epidemic more jarring than in this Buddhist temple set among parched hills in central Thailand.

The temple, Wat Phrabat Nampo, serves as the country's largest AIDS hospice, and it is here that nearly 80 AIDS sufferers are gathered, waiting to die. About a dozen of the residents are monks, some abandoned by their own monasteries.

The daily scenes of misery and death at places like Wat Phrabat are becoming commonplace across Asia, where the AIDS epidemic is entering an increasingly visible phase.

AIDS arrived late in Asia. The virus began to spread in earnest in the late 1980s, more than a decade after it took hold in the United States and Africa. Until now, it had been mostly a silent, unseen epidemic. The virus has a long incubation period, often taking more than a decade before making itself known in a serious illness.

But for millions of Asians, time is about to run out. Asians infected in the 1980s are now falling sick, and they have begun to die in such huge numbers that the epidemic threatens to dent some of the world's fastest-growing economies, overwhelm hospitals and health care systems and undermine traditional ways of life. Few Asian governments are prepared for this health emergency.

Asian epidemiologists are optimistic that they can avert the sort of devastation unleashed in Africa, where some sub-Saharan countries, including Botswana, Uganda and Zimbabwe, could lose a quarter of their adult population to the disease.

But in absolute terms, AIDS will almost certainly claim more victims in Asia, home to two-thirds of the world's population, than in Africa. Without a cure, an estimated 10 million Asians will die of AIDS before 2015.

Last year, nearly 50,000 people died of AIDS in Thailand.

Even as the infection rate has peaked in other parts of the world, it is still exploding in Asia, where the virus is spread mostly through heterosexual intercourse. Epidemiologists working with the World Health Organization have predicted that the number of infected Asians will rise from 3.5 million this year to as many as 12 million by 2000.

Last year, for the first time, estimates suggest that the number of people infected with HIV, the virus that causes AIDS, was larger in Asia than in Africa. By the turn of the century, more people will be infected each year in Asia than in the rest of the world combined.

And while most of Asia should be able to avoid an African-scale disaster, a handful of countries, including Cambodia and Burma and areas of Thailand and Vietnam, could face the level of devastation seen in Africa.

In Cambodia, it is estimated that 4 percent of pregnant women are already infected with HIV, as well as 40 percent of the prostitutes in some Cambodian provinces.

Asia's most populous countries, China, India and Indonesia, do relatively little blood screening, so health care workers cannot say for sure how far the virus has spread, but the available evidence suggests that they face severe epidemics.

The epidemic is in its infancy in China, but the virus is reported to be spreading quickly. Health officials estimate that close to 100,000 Chinese are infected. While the virus is thought to be nonexistent in large stretches of the Chinese countryside, it is spreading wildly in border areas where intravenous drug use is common.

Many epidemiologists believe that AIDS will ultimately claim the lives of more people in India than in any other country. United Nations estimates suggest that 1.75 million Indians are already infected with HIV, and that four million will be infected by the end of the decade.

Indian victims are mostly in the cities, especially Bombay, the financial capital, and along major national roadways. The roadways are lined with brothels serving truckers, who are thought to have offered a transmission route for the virus.

In Indonesia, which has a population of 190 million and is the world's fourth most populous nation, the government has suggested that as many as 2 million people could be HIV positive by 2000. City dwellers are the principal victims, although Indonesian sailors traveling across the archipelago country have carried the virus to remote islands.

ASIA's other archipelago country, the Philippines, has been relatively lucky so far. The World Health Organization estimates that only about 18,000 Filipinos are infected with HIV, a fifth of the infection rate of Thailand.

Still, health workers believe that the Philippines is headed for disaster because of rampant prostitution and because of the opposition of the Roman Catholic Church to anti-AIDS educational programs.

In Asia, like Africa, the virus often spreads through families, with an unfaithful husband infecting his wife and their unborn children.

AIDS is killing Asians from all walks of life — peasant farmers and royalty as well as religious men and women. In Thailand, the Public Health Ministry has said that it knows of at least 170 infected Buddhist monks.

"Everybody is dying of AIDS, even the monks," said Phra Kamthorn, the monk with AIDS, who says he was infected during his days as a prostitute-loving "playboy" before entering a monastery six years ago. "I would see prostitutes every day."

To a degree that health experts find startling, many Asian governments are refusing to deal with the AIDS crisis, or even to acknowledge a problem. Their inaction reflects an unwillingness by Asian leaders to accept an uncomfortable truth: that prostitution is a way of life across most of this continent, and that millions of Asian men visit brothels. In confronting the problem, the notable exception is the government of Thailand, the Asian country most closely associated with AIDS because of its notorious commercial sex industry.

The Thais have developed Asia's most effective AIDS prevention program, arguably the best prevention program in the developing world. While it is too late to avert catastrophe, it might have been far worse.

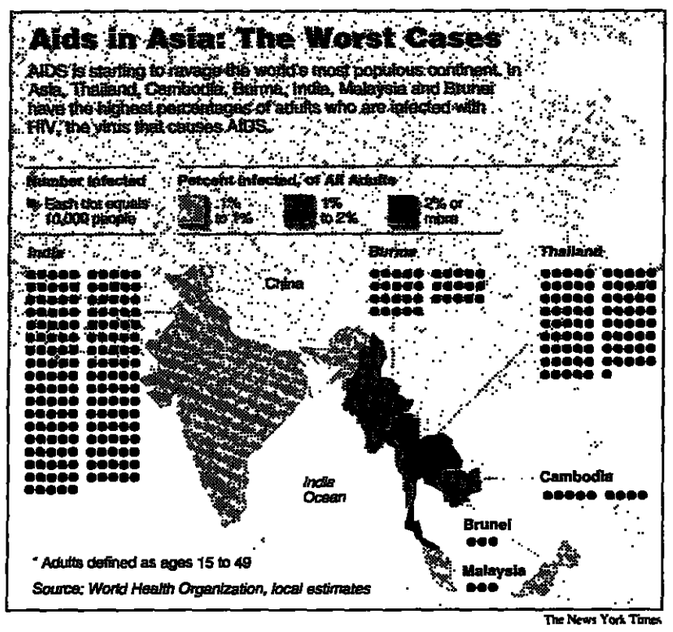
"In Thailand, we've bitten the bullet," said Mechai Viravaidya, the Thai public health crusader who is considered the father of the AIDS prevention program. "But in much of the rest of Asia, the fuse has been lit. You'd think that other Asian nations would learn from our experience, but most of their governments are still in the denial stage. They've blinded themselves to this problem, and sadly they will pay for it."

Peter Piot, Geneva-based epidemiologist and director of AIDS prevention programs for the United Nations, said "Asia has the fastest growing epidemic in the world, and people there don't seem to realize it yet."



Peter Charlesworth/The New York Times

Phra Phonthep Dhammagaruko, the head monk at a Buddhist hospice in Chiang Mai, Thailand, talking with an AIDS victim.



The New York Times

COMING UP

Every Tuesday they come — impoverished Saudis, sheikhs, tribal elders and some of the country's elite — to seek out the man who is poised to become the next king of Saudi Arabia.

Gerry Mulligan, Jazz Saxophonist, Dies at 68

The Associated Press

NEW YORK — Gerry Mulligan, 68, the baritone saxophonist and a versatile jazz musician who worked with Dave Brubeck, Miles Davis and Duke Ellington, died Saturday.

He died at his home in Darien, Connecticut, from complications from a knee infection, according to his wife, Franca Mulligan.

Mr. Mulligan helped create the cool jazz movement, but was also at home in big band, bebop and Dixieland. He also was a bandleader and composer, and recorded with a variety of well-known musicians in different styles.

"It'll be a real loss because he was such an inspiration," said Mr. Brubeck, who was in Cincinnati for a concert. "He just had such a grasp of what to do when he was playing."

Mr. Mulligan was born on April 6, 1927, in New York and grew up in Philadelphia.

He wrote arrangements for Johnny Warrington's radio band as a teenager and for Gene Krupa after moving back to New York in 1946.

He became part of the cool jazz movement and took part in Miles Davis's recordings in 1949 and 1950.

Mr. Mulligan won acclaim in 1952 after forming his first pianoless quartet in Los Angeles, with Chet Baker on trumpet.

He played and recorded with Mr. Ellington at the Newport Jazz Festival in 1958.

In 1960, Mr. Mulligan formed a 13-piece concert jazz band and toured Europe and Japan.

Also in that year, he played a clergyman in the movie "The Subterraneans."

While touring with the Brubeck groups from 1968 to 1972, Mr. Mulligan and the saxophonist Paul Desmond displayed their talents for improvised countermelody.

Mr. Mulligan performed through 1995.

Abul Nasr Dead, Leading Cairo Fundamentalist

The Associated Press

CAIRO — Mohammed Hamed Abul Nasr, 83, the leader of Egypt's largest and most powerful Islamic fundamentalist group for more than a decade, died Saturday.

His death was attributed to natural causes. He had been in hospital a month.

He had led the Muslim Brotherhood since 1986. Under him, the group became increasingly influential by funding social services and taking part in elections.

He was considered a moderate Islamic activist who supported the imposition of Islamic law.

However, he suggested that Islamic law could be put into effect gradually.

He insisted on a policy of nonviolence and worked to avoid confrontations with the state.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Barbados, Pakistan, Spain.
THURSDAY: Nepal.
FRIDAY: Australia, Dominican Republic, India, Uganda.
SATURDAY: Monaco.

Sources: J.P. Morgan, Reuters.

TRAVEL UPDATE

German Tourist Killed in Florida

MIAMI (NYT) — A German tourist who had been in Florida less than 48 hours was beaten to death outside a resort bar just north of Key West last week. He became the first vacationer killed in the new year in Florida, where tourism from abroad was rebounding after a decline attributed to a spate of violent crimes against foreign visitors in 1993-94.

Investigators believe that the killing of Rainer Pürzer, 21, early Thursday morning, resulted solely from a barroom quarrel. Florida officials say it should have no effect on foreign tourism.

"We're still gathering facts from the Florida Department of Law Enforcement and Monroe County," said Rosetta Land, a spokeswoman for the state's Division of International Tourism. "But from the facts that we have, this was not a tourist that was in any way targeted for being a tourist."

Paris-Algiers Flights May Resume

PARIS (Reuters) — France says it plans talks soon with Algeria aimed at resuming Air Algérie flights between the two nations' capital cities.

The Foreign Ministry, citing recent positive diplomatic contacts with Algiers, after a period of souring relations, said a working group had been set up with an eye to resuming the flights, which were cut off in June in a diplomatic dispute over security and airport facilities.

The number of visitors to Egypt topped 3 million in 1995 for the first time since Muslim militants began a violent campaign in 1992. *(AFP)*

Asia's largest rail station, the Beijing Western Railway Station, was opened on Sunday by Prime Minister Li Peng. The new terminal, 10 times the size of the Beijing Railway Station, is aimed at easing congestion in the capital. *(AP)*

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America
A moderating trend will begin Tuesday in Washington, D.C., New York City and Boston. Some rain may return late Wednesday. Stormy in Vancouver and Seattle Tuesday through Thursday with waves of rain. Chicago may have some rain, ice and snow Tuesday into Wednesday.

Europe
A large storm will cause heavy rain in sections of Spain and Portugal, with snow possible in the mountains. The rain will spread into France and parts of western Italy, accompanied by gusty winds. The Alps will have high winds with heavy rain and snow. Some rain will reach Ireland and England.

Asia
Some rain will spread from Shanghai to far southern South Korea to southern Japan Monday, but northern areas including Beijing and the rest of Korea, will stay mainly dry and cold. Hong Kong will have a stray shower at times. Singapore will be warm and mainly dry.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	12/53	6/46 sh	13/55	7/44 t
Amsterdam	2/35	0/32 pc	3/37	0/32 s
Andorra	0/32	-9/16 c	-1/31	-10/15 pc
Athens	11/52	8/43 pc	8/46	4/39 c
Barcelona	14/57	12/53 r	15/59	8/43 sh
Belgrade	1/34	-5/24 c	3/37	-4/25 pc
Berlin	-3/27	-7/20 s	4/39	-2/29 s
Brussels	2/35	0/32 c	3/37	-1/31 r
Budapest	1/34	-4/25 s	2/35	-3/27 s
Copenhagen	2/35	-3/27 s	4/39	-1/31 s
Costa Del Sol	13/55	12/53 sh	15/59	6/46 c
Dublin	8/46	5/43 c	8/46	4/39 sh
Edinburgh	7/44	6/43 pc	8/46	6/43 r
Florence	8/46	3/37 c	8/46	4/39 r
Frankfurt	2/35	-4/25 s	4/39	-2/29 s
Geneva	6/43	2/35 r	7/44	1/34 r
Helsinki	1/34	-6/22 s	1/34	-8/22 pc
Istanbul	3/37	0/32 sn	4/39	-1/31 c
Las Palmas	19/66	15/59 r	21/70	14/57 c
Lisbon	11/52	6/46 sh	12/53	7/44 t
London	7/44	6/43 c	8/46	4/39 sh
Madrid	8/46	5/41 r	8/46	0/32 c
Milan	3/37	1/34 r	3/37	1/34 r
Moscow	-8/18	-13/9 s	-9/22	-11/13 s
Munich	2/35	-3/27 c	4/39	-2/29 pc
Nice	11/52	9/48 r	11/52	6/43 r
Oslo	-6/22	-12/11 pc	-3/27	-9/18 s
Mallorca	13/55	12/53 r	13/55	7/44 sh
Paris	7/44	0/43 r	8/46	3/37 r
Prague	2/35	-7/20 s	3/37	-3/27 s
Reykjavik	4/39	0/32 i	3/37	-1/31 c
Rome	14/57	3/37 pc	11/52	8/43 r
St. Petersburg	-4/25	-9/16 pc	-4/25	-9/16 c
Stockholm	1/34	-5/24 s	2/35	-3/27 s
Strasbourg	4/39	1/34 pc	7/44	1/34 pc
Tallinn	2/35	-5/24 s	0/32	-5/24 pc
Venice	4/39	2/35 c	8/43	2/35 r
Vienna	-1/31	-8/22 s	2/35	-2/28 s
Warsaw	-4/25	-9/16 s	0/32	-8/22 s
Zurich	4/39	-1/31 pc	5/41	-1/31 r

Oceania

Auckland	24/75	16/61 c	24/75	17/62 pc
Sydney	27/80	22/71 c	29/82	21/70 pc

Middle East

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Abu Dhabi	18/64	15/59 c	22/71	15/59 pc
Beirut	14/57	13/55 sh	15/59	8/48 c
Cairo	16/61	8/46 r	14/57	8/46 pc
Damascus	11/52	4/39 sh	10/50	2/35 r
Jerusalem	12/53	7/44 pc	11/52	6/43 r
Luxor	20/68	9/48 pc	23/73	4/39 s
Riyadh	18/64	9/48 pc	18/64	9/48 t

Africa

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algiers	18/64	12/53 pc	17/62	11/52 pc
Cape Town	28/79	20/68 s	30/86	13/55 sh
Casablanca	13/55	9/48 r	14/57	6/43 c
Harare	18/64	8/46 r	24/75	8/46 pc
Lagos	30/86	24/75 pc	30/86	24/75 pc
Nairobi	25/73	9/48 pc	24/75	12/53 pc
Tunis	17/62	8/43 pc	19/66	9/48 s

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Bangkok	32/89	22/71 c	33/91	22/71 pc
Beijing	0/32	-7/20 pc	-2/28	-14/7 s
Hong Kong	19/66	18/61 c	18/64	15/59 c
Manila	31/88	23/73 pc	31/88	24/75 pc
New Delhi	24/75	13/55 pc	23/73	12/53 pc
Seoul	0/32	-10/15 pc	-2/29	-13/9 s
Shanghai	6/43	3/37 r	6/43	1/34 c
Singapore	30/86	24/75 pc	29/84	24/75 c
Taipei	21/70	14/57 c	19/66	12/53 c
Tokyo	7/44	3/37 sh	8/46	-2/29 r

Latin America

Buenos Aires	31/88	22/71 pc	29/84	18/64 pc
Caracas	29/84	19/66 pc	29/84	18/64 pc
Lima	24/75	19/66 c	24/75	20/68 pc
Mexico City	22/71	7/44 pc	23/73	7/44 s
Rio de Janeiro	34/93	25/77 pc	30/86	24/75 pc
Santiago	23/73	10/50 pc	23/73	9/48 pc

North America

Anchorage	-5/22	-11/13 sn	-7/20	-18/4 pc
Atlanta	12/55	5/41 pc	17/62	6/46 pc
Boston	4/39	-1/31 pc	6/46	1/34 pc
Chicago	7/44	-2/29 pc	4/39	-4/25 pc
Denver	3/37	-9/16 c	6/43	-9/16 pc
Detroit	4/39	0/32 pc	7/44	-2/29 c
Honolulu	27/80	20/68 c	28/82	20/68 pc
Houston	20/68	14/57 pc	22/71	12/53 sh
Los Angeles	16/61	7/44 pc	18/64	4/39 pc
Miami	26/79	19/66 pc	28/82	19/66 pc
Minneapolis	-2/29	-11/13 c	-6/22	-13/9 pc
Montreal	-2/28	-10/15 pc	0/32	-9/16 c
Nassau	27/80	21/70 pc	27/80	21/70 pc
New York	3/37	-1/31 pc	11/52	4/39 pc
Phoenix	18/61	8/43 pc	18/61	3/37 s
San Fran.	11/52	5/41 pc	11/52	6/43 pc
Seattle	4/39	-1/31 pc	5/41	1/34 r
Toronto	1/34	-7/20 pc	2/35	-8/22 c
Vancouver	2/35	-1/31 c	1/34	-1/31 r
Washington	6/43	2/35 pc	13/55	4/39 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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THE AMERICAS

The Republican Revolution Runs Into Some Hard Political Realities

By Adam Clymer
New York Times Service

WASHINGTON — The Republican revolution is stalled on Capitol Hill, blocked by an ideological appetite bigger than its majorities can fulfill, by unexpectedly determined Democratic opposition and by the public's resistance to sacrifice.

When Congress returns Monday, it will not be returning to the soaring Republican agenda of reducing the role of Washington in American life, but to the question of how to find a way to pay for the ordinary operations of government through stopgap spending while maintaining a revolutionary image.

That task, harder than usual because House Republicans made a shutdown their chief bargaining tool in their quest for a budget that would be balanced by 2002, is also complicated by the presidential election. The looming presence of presidential politics will be emphasized in President Bill Clinton's State of the Union Message on Tuesday night.

It will also be evident in almost every move made by Senator Bob Dole of Kansas, the majority leader and dominant presidential hopeful in his party, whose moderation is scorned by die-hard House freshmen.

At least on the surface, the political dynamics have been reversed in the last year. After the 1994 elections, Republicans were upbeat, Democrats downcast.

Now, it is the Republicans who are seeking to revive their program and pass enough of it so that voters will not dismiss them as ineffectual.

The first Republican Congress since the 1950s arrived on Jan. 4, 1995, with a grand agenda of spending cuts, tax cuts and constitutional amendments and, like most newcomers to Washington, a promise to do things differently.

A year later, despite a lot of action in the House, the constitutional amendments have been defeated and the tax cuts vetoed. Some serious domestic spending cuts have been enacted, although more than offset by an increase in military spending. And the failure to enact other routine appropriations bills has twice shuttered government offices.

By late fall, Republicans had put their hoped-for policy changes into a plan to balance the budget by 2002, and the shutdowns were a weapon. But, the House speaker, Newt Gingrich of Georgia, acknowledged in a recent interview, "our strategy failed" because Mr. Clinton and his allies, instead of surrendering and making a budget deal, "were tougher than I thought they would be."

The budget strategy may have come up short, but when it came to avoiding business as usual, the first session of the 104th Congress largely kept its promise. The shutdowns were the most dramatic example of what was different in 1995. Congress also promised not to take gifts from lobbyists, The Senate forced Bob Packwood to quit after accusations of sexual misconduct and evidence tampering.

Polls suggest that shutting down the government was a net loss for Republicans. But the shutdowns also demonstrated a willingness to take a stand and cast unpopular votes — curbing spending on Medicare.

House Republicans, 73 freshmen and 48 sophomores, have driven that approach, rejecting Washington's ways of compromise. They reject the definition of politics offered last month by Senator Alan K. Simpson, Republican of Wyoming, announcing his retirement:

"In politics, there are no right answers, only a continuing flow of compromises between groups, resulting in a changing, cloudy and ambiguous series of public decisions, where appetite and ambition compete openly with knowledge and wisdom."

The most obvious place to compromise has been the seven-year deadline for balancing the budget.

But as Representative Steve Largent of Oklahoma, a freshman Republican leader, put it last month, he and like-minded colleagues approach legislation as a "military exercise."

He added, "We are all determined to balance the budget within seven years." Representative Zach Wamp, Republican of Tennessee, chimed in. "Even if it meant not coming back here, it would be worth it."

Mr. Gingrich said freshmen "really think this is life and death for their country, and think their careers are trivial in the balance, and mean it with total sincerity."

"They don't regard being defeated as the end of their life, just as a change in jobs," Mr. Gingrich said. "That is very different than the sort of careerist view that had traditionally dominated for a long time."

Of course, a record of slim legislative accomplishment in the first 12 months of a Congress does not necessarily define it. Congresses always get more done in the second year than in the first, even during presidential elections.

By that precedent, 1996 could be a year of profound legislative accomplishment. There are bills in the making on subjects from immigration to telecommunications that enjoy broad support. But the degree of bitterness and backbiting of the last two months was exceptional.

Senator Thomas A. Daschle of South Dakota, the minority leader, says he expects another unproductive year because House Republicans think "compromise is a four-letter word."

Senate Democrats have shown more muscle and cohesiveness than anyone expected. They have argued intensely, often extravagantly but effectively, that Republicans want to destroy education and gut Medicare in order to pay for tax cuts for the rich.

Appeasing that Democratic minority sticks in the craw of House Republicans, who also frequently complain that Mr. Dole and his Senate majority are not their sort of true-blue conservatives. But that is how the Senate works. When Democrats ran it, they made deals with Republicans, and House Democrats had to put up with it.

Bargaining is necessary because the Republicans won control of Congress with narrower majorities than the banner headlines implied. Today, they have 236 seats in the House and 54 in the Senate, neither enough to override vetoes nor to end Senate filibusters.

Those are not the majorities that can be expected to bring about ambitious change like providing for the first balanced budget since 1969. President Clinton, after all, found that bigger majorities, 258 Democrats in the House and 57 in the House, were not enough to pass his health care legislation in 1994.

The Republican problem today is familiar. The public doubts that sacrifice will produce what politicians promise. So politicians insist they are asking no sacrifice at all. And the public does not believe that either.

Aged Gear Cited for Poor Air Control

By John Mintz
Washington Post Service

WASHINGTON — A panel named by the Federal Aviation Administration had no trouble spotting the causes of 23 frightening power outages in regional air traffic control centers last year: balky 35-year-old electrical equipment, leaky roofs, poor training, bureaucratic miscommunication, unworkable emergency plans and waves of retirements.

The problems were found in 21 air route traffic control facilities that keep planes from running into one another in the crowded flight corridors between airports. The power outages shut down some air traffic controllers' computers and phones, forcing them at times to scramble for cellular telephones to stay in touch with pilots. The shutdowns also caused massive airline delays.

"The air transportation system is safe," said Monte Belger, the agency's associate administrator for air traffic services. But he added, "We know where the problems are, and we're working on them."

Mr. Belger said making the transition to new computer and electrical systems without interruption, while overseeing the safety of 39 million flights a year, was "like changing the engines on an airplane in flight."

The 23 power outages occurred in the centers — from Leesburg, Virginia, to Seattle — as they were shifting from antiquated electrical power systems to new ones, and as they were preparing for a new computer network whose software is being designed by Loral Corp. The computer project has been delayed for years by technical snarls.

Aviation agency officials said they were acting on all the panel's 77 recommendations, including those calling for improved training and 265 new technicians. The seven-member panel, was headed by Richard McFadden, a senior scientist at Science Applications International Corp., and included representatives from several companies and federal agencies.

The report generally endorsed the agency's actions in upgrading its electrical and computer systems. But it also raised serious questions about the projects.

Most of the centers' computers are 25 years old; the report said, and the buildings they are in are up to 35 years old, with some equipment so aged and wiring so brittle, that technicians "are reluctant to complete scheduled periodic maintenance."

"Roofs are leaking in at least three of the centers," with basins used to catch water, the report said. "Most all the buildings have asbestos-containing material." Old water-chilling systems that cool computers are "paramount issues," it added.

The report described an atmosphere of disorganization in the facilities, with one center stating that in the past year it had undertaken 40 separate upgrade projects, with contractors shuttling in and out. The centers complained that agency headquarters did not listen to them "on any issue."

POLITICAL NOTES

Republicans Send Mixed Debt Signals

WASHINGTON — Congressional Republicans sent mixed signals Sunday on their willingness to approve an increase in the U.S. debt ceiling, but they reinforced the party's message that there will be no new federal government shutdown when funding runs out Friday.

Richard K. Armey of Texas, the House Republican leader, said on NBC that his chamber would not approve a debt-ceiling measure unless President Bill Clinton agreed to "a substantial share of our agenda of decreasing the size and the intrusiveness of government."

That contradicted a statement a week earlier from the House Budget Committee chairman, John Kasich of Ohio. Without a debt-ceiling measure, a first-ever default is possible in mid-February.

In the latest sign of House-Senate differences between Republicans in the budget debate, Trent Lott, the Senate Republican whip, appeared to wave aside Mr. Armey's comment.

"I am not interested in playing games," he said on ABC. "I think that at some point we will come up with a debt ceiling that, hopefully, the president can sign."

Both Mr. Armey and Mr. Lott said the Republican-controlled Congress would pass an emergency spending bill, known as a continuing resolution, to allow government to remain in operation after funds run out at midnight Friday. Government programs might, however, be funded at only 75 percent of current levels, they indicated.

"That looks like that might be what happens," Mr. Lott said. The House minority leader, Richard A. Gephardt, said of such partial funding, "I'd rather do that than have a bad budget." *(IHT)*

Clinton to Congress: Look to the Future

WASHINGTON — White House aides say Mr. Clinton will use his State of the Union Message on Tuesday night to try to rise far above the bitter partisanship of the budget battle and summon the nation to meet the challenges of an "age of possibility" as it approaches the 21st century.

The White House acknowledges that the Republican-controlled Congress would not be sympathetic to a full legislative agenda from the Democratic president. And so, although Mr. Clinton is expected to renew his calls for a budget agreement, an increase in the minimum wage and campaign reform, much of his address at the start of this election year will be a philosophical one aimed largely at an audience beyond the halls of Congress.

Offering a taste of likely campaign themes, aides say, Mr. Clinton plans to emphasize that the economy is strong and that the nation has added nearly 8 million jobs during his presidency.

But, mindful that many workers remain besieged by job insecurity and stagnant wages, he will call for broadening the base of America's economic well-being.

"The president will argue it's not always a government response that's required, it's not always a response that requires spending of taxpayers' money," said Michael McCurry, the White House press secretary.

Instead, Mr. McCurry said, the president will speak of "challenges that must summon forth the best from the American people as we work together in our communities and our churches and our schools and our neighborhoods to improve the quality of life of all Americans." *(NYT)*

Quote/Unquote

Dennis Dollar, a party-switching former state representative from Mississippi, on changing political parties: "Let's face it, Washington is a world driven by the political party process. And in a world where you have to be either fish or fowl, nobody is going to follow a blue jay with gills." *(NYT)*



Paul Sakuma

WAVE TO SPACE — Vice President Al Gore, with a computer expert and a student, at an interactive computer at a school in San Carlos, California, waving to astronauts on the space shuttle hours before it landed early on Sunday.

Nader's Candidacy Spells Trouble for Clinton in California

By B. Drummond Ayres
New York Times Service

LOS ANGELES — One of the great imponderables in every presidential election is whither California's 54 electoral votes, the largest lode of all.

So whither California in 1996 now that Ralph Nader, the consumer crusader, has jumped into the race, running for the Green Party's nomination in the Golden State's primaries this March?

Everyone expects Mr. Nader to win that minor contest, given his ready name recognition, his high positive ratings in the polls and his sturdy support for such Green causes as a cleaner environment, the reining in of big-money special interests and more equitable distribution of the nation's jobs and wealth.

No one expects him to carry California in the general election, let alone any of the dozen other states in which he may also run, among them Colorado, Maine, Minnesota, Pennsylvania and Rhode Island.

But that is not the political point.

What makes the Nader candidacy such an intriguing imponderable, political experts say, is that it has the potential in a closely contested general election to be a spoiler candidacy, siphoning wavering Democrats from President Bill Clinton and possibly opening the way to victory for a Republican.



Another politically intriguing scenario for a Nader candidacy could be that it would force Mr. Clinton to begin a difficult ideological tack back to the left in an effort to hold disaffected Democrats.

Either way, Democratic leaders are concerned, especially about the prospect of a Nader candidacy in California, a politically freewheeling state where third parties have historically fared well. Current poll data show Mr. Nader might win as much as 10 percent of the California vote in November.

A presidential candidate who fails to carry California faces a sharply reduced prospect of reaching the White House and the daunting financial and organizational prospect of trying to offset the loss of California by running extra well elsewhere.

"I offer an alternative that can't easily be ignored," Mr. Nader boasts.

The California Democratic Party chairman, Bill Press, is certainly not ignoring Mr. Nader.

"A vote for Ralph Nader this fall would be a vote for Bob Dole," Mr. Press said, making the assumption that Mr. Dole, the Senate majority leader, will be the Republican nominee, "and I can't believe that's really what Ralph and the Green Party want to accomplish."

The Green Party is little known nationally and has only a tiny political base, attracting less than 1 percent of the registered voters in California, for example. Yet, with Mr. Nader as its presidential candidate, the party would have a national figure carrying its banner and would attract attention as never before.

More important, as the Green candidate, Mr. Nader would be preaching an ideology that well might appeal to significant numbers of disaffected Democrats, especially those who believe, as Mr. Nader does, that Mr. Clinton sold out American labor by signing toothless trade treaties, sold out to Corporate America by ending the 55-mile-an-hour speed limit, and sold out the American voter by refusing to push for tough campaign and congressional reforms. Mr. Nader insists he is not interested in being a political spoiler and, short of that, is not interested in leveraging deals with the president over various issues.

Nor, he insists, is his candidacy, first announced in December, a ploy to enhance his image and help his causes.

"I'm only interested in changing the way politics works in this country these days," he said, as ideologically pristine today at 62 as he was three decades ago, when he burst onto the national scene with a safety crusade that changed the way automobiles are designed and made.

"The people need more political choices and less cynical political horse-trading," he continued. "Both the Democrats and the Republicans refuse to change, won't give up the special-interests money, won't reform and give the people more power. This campaign isn't about me becoming president. It's about getting a new political movement going for the long haul." Mr. Nader is not yet running in any state except California. He says, however, that he has been approached by Green Party officials in a dozen or more states.

"I'll make more decisions in coming weeks," he said. "But no matter what happens, this will not be a traditional candidacy.

"I won't travel a lot or hold traditional rallies. In fact, I don't plan to spend beyond $5,000 or so. I don't think I have to."

Away From Politics

• **O. J. Simpson** will face attorneys pursuing civil claims against him in the slayings of Nicole Brown Simpson and Ronald L. Goldman on Monday. *(AP)*

• **At least 700,000 gallons** of heating oil was spilled after a barge ran aground near a wildlife refuge off Point Judith, Rhode Island. More oil is expected to leak before the vessel can be pumped dry. *(Reuters)*

• **Suspicious fires** at four black churches in Alabama in the last month are being investigated by the Bureau of Alcohol, Tobacco and Firearms to see if any of them are connected to four similar arsons at black churches in Tennessee a year ago. *(NYT)*

• **The space shuttle Endeavour** made a rare landing in darkness at Cape Canaveral, Florida. *(AP)*

AMERICAN TOPICS

For New Moms, Hospital Respite

New York state is expected to adopt a law providing newborns and their mothers with the option of staying in the hospital for at least 48 hours after delivery, siding with doctors who have complained that in many cases mothers and infants are being discharged too quickly.

Several managed-care companies have been paying for only 24 hours of postnatal hospital care for most mothers and their babies. The practice has prompted an outcry from doctors and other health care professionals who say the 24-hour policy does not give doctors and nurses enough time to see whether the mother or child develop complications.

If the law is enacted, New York would join a growing list of states that have adopted or are considering laws requiring longer hospital stays.

Short Takes

New York City is taking steps to outlaw three-card monte games. Officials say a 1994 court ruling has made it harder to prosecute street dealers shuffling three cards back and forth on an upended box and smoothly cajoling passersby to bet money by choosing the right card. Officials said prosecution had been hindered by a ruling in Manhattan Criminal Court that three-card monte was not gambling because it was a game of skill, hinging on whether the dealer's hand was quicker than the player's eye.

The big problem with watching hockey on TV — finding the puck — has been solved by a computer chip embedded in the disc to help it stand out on the screen. To the players, SuperPuck is indistinguishable from a regular one. Held in your hand, the only clue is the 12 dots around the edges and four on each side — infrared emitters. On television, the puck appears with an animated halo. When a player lets loose with a slapshot, the puck is trailed by an electronic comet tail that streaks red across the screen.

How to remove a former spouse from a family picture? Scissors have been replaced by digital photography. Using a computer, graphic artists can manipulate an old print or negative and erase just about anyone. The technology has been around for years. Now the Camera Shop Inc. chain offers a service it calls "Divorce X." Not only can former spouses be zapped from family photographs, they also can be replaced with a new companion or spouse.

International Herald Tribune

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ASIA



Saeed Khan/Agence France-Presse

LINEUP — Five members of the Muhajir National Movement, including a leading militant, Rehan Kana, foreground, who were killed over the weekend in Karachi after being sought by the police for murder.

Rightist Crashes Bus Into Diet

Compiled by Our Staff From Dispatches

TOKYO — A rightist crashed a bus loaded with cans of gasoline into the entrance gate of Japan's Parliament on Sunday on the eve of Ryutaro Hashimoto's debut as prime minister.

The police said the van burst into flames.

No one was hurt in the afternoon incident. The Parliament building, or Diet, was empty before Monday's opening of a 150-day budget session, which could shape Japanese politics for years to come.

The police identified the rightist as Kazuyuki Tsuchida, 32, a member of the Japan Imperial Peoples Party, a far-right fringe group that reveres the emperor and supports Japan's actions in World War II.

Mr. Tsuchida told the police that he "wanted to do something" to Parliament, before the session starts Monday.

For several days hundreds of rightists have been out on Tokyo streets loudly protesting Mr. Hashimoto's economic policies, particularly a plan to use billions of dollars in taxpayers money to bail out failed home mortgage firms.

The police arrested two other members of the far-right party on Thursday for blaring slogans protesting the bailout plan through loudspeakers in front of the Finance Ministry.

But Mr. Hashimoto goes into his maiden speech as prime minister buoyed by opinion polls rating him one of the most popular new leaders of recent times.

But to retain popularity that could propel his Liberal Democratic Party to its dream of regaining sole power in the next general elections, Mr. Hashimoto needs to negotiate the next 150 stormy days of Parliament.

The conservative Liberal Democrats govern in a 19-month coalition with the Social Democratic Party and the small New Party Sakigake, a splinter group of the Liberal Democrats.

Mr. Hashimoto, formerly trade minister, took over as prime minister when the Socialist leader, Tomiichi Murayama, resigned Jan. 5.

Overshadowing the year's parliamentary session, when the budget is passed, and casting a cloud over Mr. Hashimoto, are his administration's plans to use taxpayer money to bail out mortgage firms.

The plan includes 685 billion yen ($6.51 billion) from the budget for 1996-97 to set up a body to take over problem loans at the seven mortgage lenders.

The companies have problem loans of 8.13 trillion yen ($77.21 billion) and at least 6.27 trillion yen in unrecoverable loans.

Set up in the 1970s to fund home buyers, the mortgage companies lent aggressively to property developers during Japan's "bubble" era of soaring land and stock prices.

Critics seek to clarify where responsibility for the mess lies among bankers, farm cooperatives, mortgage-company managements and financial authorities.

Japan's main opposition New Frontier Party plans to zero in on the issue, and Mr. Hashimoto's part in it, in its drive to force general elections as soon as possible.

Mr. Hashimoto was finance minister in 1990 when the ministry introduced restrictions on lending to real estate developers, but exempted mortgage companies.

The New Frontier leader, Ichiro Ozawa, said Sunday that to restore faith in Japan's financial system, Mr. Hashimoto should call an election before next June's meeting of leaders of the Group of Seven industrialized nations.

Mr. Hashimoto opposes calling an election before it is due in mid-1997 because he says economic recovery is the nation's priority.

His coalition has the votes to fend off calls for snap elections easily. *(Reuters, AP)*

U.S. Dilemma on North Korea Aid

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The Clinton administration is considering a proposal to give more food aid to international relief groups working in North Korea, which American intelligence officials say is experiencing a serious food shortage that could turn into famine and lead to widespread epidemics afflicting millions of its citizens by spring.

But the U.S. proposal is running into opposition from the government of South Korea, which claims that North Korea deliberately has exaggerated its food shortage and argues that the Communist state should get no assistance until it makes some political concessions.

The issue poses a dilemma for Washington, which wants to relieve suffering and reward North Korea for signing a contract last month to acquire a South Korean nuclear reactor. The civilian reactor program was created as a substitute for the North Korean military's suspended nuclear weapons program.

Washington is also concerned that if famine becomes widespread, a desperate North Korean government might be tempted to undertake provocative acts that could destabilize the region or threaten the security of 37,000 U.S. troops in South Korea.

At the same time, Washington shares South Korean concerns that providing the additional food aid could allow the North Korean military to avoid dipping deeply into its large, emergency reserves of grain and other commodities. That would help preserve a state of military preparedness for possible confrontation with South Korea.

The administration is also wary of potential opposition from congressional Republicans, although no legislative action is required to send the additional aid. The amount of aid under consideration is greater than the $225,000 Washington contributed to the United Nations for emergency medical relief in North Korea last fall, American officials said.

Because Washington is reluctant to proceed without South Korean approval, Assistant Secretary of State Winston Lord is expected at a meeting Wednesday in Honolulu to press his South Korean counterpart, Ban Kimon, the deputy minister for political affairs, to reconsider Seoul's opposition to further aid, American officials said.

Aid Delay Irritates Pyongyang

Reuters

TOKYO — North Korea has opened an angry verbal offensive over foreign reluctance to provide it with emergency food assistance.

The North Korean outburst came as the United States, South Korea and Japan were due to confer in Hawaii on Wednesday about whether to give Pyongyang food aid because of floods. South Korea has expressed strong reservations about the assistance.

A North Korean Foreign Ministry spokesman, commenting on the allies' indecision, was reported by Pyongyang's official news agency, KCNA, to have said:

"If hostile elements continue to politicize and attempt to block humanitarian assistance, we will no longer pin any hope on the so-called 'assistance' and will go our own way on our assessment and decision."

The spokesman said "tremendous" floods last year had badly damaged infrastructure, caused severe destruction of farm lands and heavily cut cereal production.

"The total losses and damage exceed $15 billion," the spokesman said. "The assistance so far is too small compared with the scope of our losses and damage."

He said North Korea had been reluctant to agree to conditions for aid imposed by international groups, but had decided to go along with their demands for humanitarian reasons.

The spokesman then evoked reservations on the part of the North Korean military, normally firmly aligned with official policy.

"From the start, our military suspected that the humanitarian assistance in connection with the floods might be misused by hostile forces to coax us into 'reform' and 'opening' and insisted on finding a solution by relying only on ourselves under the given conditions," he said.

"Their suspicion is growing, owing to unjustifiable attempts of hostile elements to politicize the food assistance," he added.

In another possible sign of irritation, North Korea announced it was disbanding a team that seeks the remains of U.S. soldiers killed during the Korean War.

Tokyo Takes the High Road

New Leaders Stress Link to Washington

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Japan's foreign minister, Yukihiko Ikeda, in office barely a week, raced through high-level Washington in the last few days with a message of friendship, reassurance and commitment to the U.S.-Japan security partnership in Asia.

In meetings with President Bill Clinton and his senior foreign policy and national security advisers, Mr. Ikeda said the United States and its troops in Japan were "vital" to the security of a potentially unstable region.

That Prime Minister Ryutaro Hashimoto sent him here on short notice on his first official mission reflects the Japanese government's view that the United States represents "our most important bilateral relationship," Mr. Ikeda said last week.

In the past, such views might have been unremarkable.

But the alleged abduction and rape of a Japanese schoolgirl by U.S. servicemen on Okinawa last year have led to questions here and in Asia about the desirability of keeping nearly 50,000 U.S. troops in Japan.

Essays have been streaming out of foreign-policy think tanks suggesting that the vigorous, economically strong countries of the region should assume more responsibility for their own security and the U.S. role perhaps should be reduced.

Absolutely not, said Mr. Ikeda, a former director-general of Japan's defense agency.

In the absence of a regional security framework such as NATO, he said, the United States and its bilateral security agreements with Japan, South Korea, the Philippines and Taiwan are the "pivot" of Asia-Pacific stability.

In a statement issued as he took office Jan. 11, Mr. Hashimoto said "the Japan-United States relationship is vital for the peace and stability of the Asia-Pacific region, as well as for the entire world."

Mr. Ikeda used similar language Friday in a meeting with Washington Post editors and reporters.

The United States and Japan, he said, will make "the utmost effort to try to prevent the Okinawa incident from becoming an obstacle to the vital U.S. role in the region."

Mr. Clinton is scheduled to make a state visit to Japan in April.

On Friday, Mr. Ikeda and Secretary of State Warren M. Christopher agreed to accelerate the work of a joint commission studying the grievances of Okinawans about the U.S. troop presence in the hope of devising a solution by the time Mr. Clinton visits, according to a State Department spokesman, Nicholas Burns.

It may well take longer, Mr. Ikeda said.

"A solution is very difficult to find," he said.

"The Okinawan people want the troop presence drastically reduced. But the security of Japan has to be considered as well. We have to allow the United States to perform its obligation."

About 26,000 U.S. troops, or more than half the forces in Japan, are on Okinawa.

Mr. Ikeda said possible outcomes include the redeployment of some troops from Okinawa to other parts of Japan, smaller U.S. bases and increased local input into decisions by American commanders.

As potential sources of instability in East and Southeast Asia, Mr. Ikeda cited economic chaos and political instability in North Korea, the presence of Russian troops in the Pacific basin, military buildups in Southeast Asian nations and territorial disputes such as the overlapping claims to the Spratly Islands.

He also noted that China's defense spending has been increasing by about 20 percent a year.

"Japan is not defining China as an enemy, a threat or a risk," he said, but Beijing's military buildup must be taken into account as "an objective fact."

Lee's Illness Makes Singapore Uneasy

By Michael Richardson
International Herald Tribune

SINGAPORE— Lee Kuan Yew, prime minister of Singapore for 31 years before stepping aside to become senior minister in the government six years ago, has undergone successful treatment to open up a narrowed coronary artery, according to a government statement.

Although Mr. Lee, 72, is expected to make a full recovery and return to work soon, analysts said Sunday that his heart ailment might temporarily shake business confidence in Singapore.

It was the first time that Mr. Lee, who has for many years taken precautionary measures to ensure that he remains fit and healthy, was known to be seriously ill.

"He's been so long at the center of political power that there's a tendency to see him as synonymous with Singapore and its economic success," a Western diplomat said Sunday.

By taking a consistent pro-business approach and a tough stand on public order, the governments with which Mr. Lee has been closely associated have helped to build up investment confidence and turn Singapore into a thriving regional hub for high-tech manufacturing, financial and business services, oil refining, transport and communications, even though the island-state lacks natural resources.

Economists and stockbrokers said that Singapore's financial markets were likely to react adversely Monday to the news that Mr. Lee had been admitted to a hospital for heart treatment.

But they said that any downturn in the stock market or the value of the Singapore dollar would probably be short lived unless his health deteriorated unexpectedly.

Mr. Lee was admitted to a hospital late Friday after complaining of chest pains while exercising, but the news did not become public until the following day. A government statement issued after doctors had used a technique known as balloon angioplasty to widen Mr. Lee's artery said that his heart was completely normal with no evidence of muscle damage.

Although he decided to step aside in 1990 to make way for younger leaders, including Goh Chok Tong, the current prime minister, Mr. Lee is widely seen as still having a strong influence in key political, economic, social and foreign policy decisions of the Singapore government.

Mr. Lee's heart trouble "reminds everybody that he is going to go one day, and that his political colleagues must plan for that and will sooner or later have to run the country without his counsel," said Bruce Gale, manager of a consulting firm.

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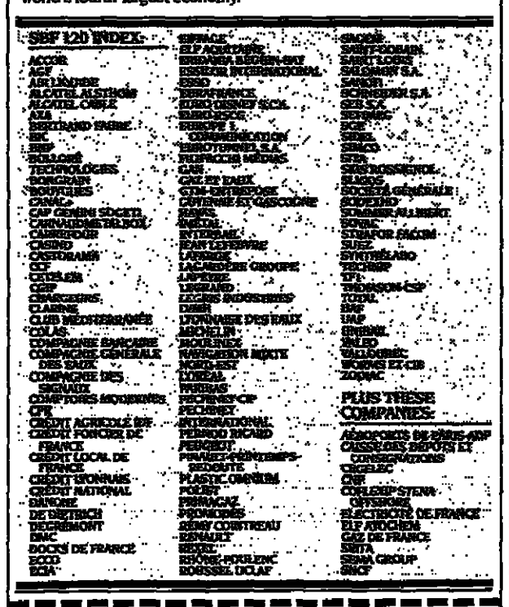
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BRIEFLY ASIA

A Search for Survivors Of Ferry Off Sumatra

BANDA ACEH, Indonesia — Rescuers on Sunday halted efforts for the night to find more than 100 passengers missing after a ferry sank when it hit rocks off the northern tip of Sumatra.

Exhausted survivors said that passengers had fought over life jackets as the vessel sank quickly Friday night and that they spent up to 18 hours in choppy seas.

The authorities confirmed that more than 50 of the ferry's 210 passengers had died.

An official said the rescue operation would resume early Monday. "It was getting dark, and those involved in the operation had been working without a break since morning," the official said. *(Reuters)*

Bangladesh Vows To Hold Election

DHAKA, Bangladesh — The governing Bangladesh Nationalist Party said Sunday that it would push ahead with next month's general election regardless of an opposition boycott, infighting over candidates and fears of poor voter turnout.

"The election will be held on Feb. 15," Information Minister Shamsul Islam said, adding that the constitution did not allow for it to be delayed further.

"We have tried our best to bring the major opposition parties into the election and had postponed the poll twice for the purpose," he said. "But we can't shift the polling date any further." The vote was originally planned for Jan. 18.

Opposition parties have demanded that Prime Minister Khalida Zia step down before any election. *(Reuters)*

India's Rao Told to Quit

NEW DELHI — India's most prominent Communist leader said Sunday that Prime Minister P. V. Narasimha Rao should resign because of a bribery scandal and that parliamentary elections be called immediately, the Press Trust of India reported.

Jyoti Basu told a rally in Calcutta that Mr. Rao's government "had lost the moral right to continue in power." *(AFP)*

VOICES From Asia

Kim Jong Il, the North Korean leader, described by the party newspaper Rodong Sinmun as "an outstanding great master of witty remarks, as well as the greatest man ever known in history," holding forth on a variety of issues:

- "Speech is man. His thought and tastes are expressed in his speech and his occupation, level of knowledge and cultural and moral standards are also represented in his speech."
- "Miracles are certainly wrought by the people, not by a chance given by heaven."
- "While believing in the people is as good as taking a tonic, turning one's back on the people is as good as taking poison."
- "To expect the victory in the revolution without the leader is as good as to expect a flower blooming without the sun." *(AFP)*

EUROPE

Germany Rebuffs U.S. on Nuclear Reactor

By Alan Cowell
New York Times Service

BONN — German scientists and government officials have flatly rejected U.S. government demands that a nuclear research reactor designed to use weapons grade fuel be remodeled to use low-enriched uranium, according to German officials.

A meeting last week in the Bavarian resort of Tegernsee, chosen to avoid publicity, was the latest twist in a U.S. effort, initiated by President Jimmy Carter in 1978, to curb nuclear weapons by limiting civilian use of the high-enriched uranium needed to build bombs.

American critics maintain that by using high-enriched uranium in the planned 20-megawatt research reactor at Munich's Technical University, Germany is lining up with China and Libya among countries defying a central U.S. policy.

The newest development coincides with concerns that West European countries, denied access to U.S. supplies of high-enriched uranium, may be considering purchases of the bomb-grade fuel from Russia, according to the Washington-based Nuclear Control Institute.

"The proliferation and terrorism risks associated with renewed commerce in highly-enriched uranium cannot be underestimated," the Institute's director, Paul Leventhal, said in a Jan. 5 letter to Secretary of State Warren M. Christopher.

In a joint statement issued after the meeting in Tegernsee, American and German officials said the discussions on Thursday and Friday were "entirely technical in nature and covered various technical issues including approaches for evaluating alternative designs for the proposed reactor."

But Gerd von Hassel, a spokesman for university, said the language covered a much more profound dispute over an American proposal for the reactor to be redesigned to permit its conversion to low-enriched uranium.

"We are not ready to bow to this pressure and say, 'We will wait for five years,'" Mr. von Hassel said in a telephone interview from Garching, near Munich, where the reactor is to be built. It has a target date of the year 2000 to be fully functioning.

The German official said the Technical University was expecting the first in a series of official certifications of the $522 million reactor in the next few weeks. By introducing new design specifications, he said, the entire certification process would have to be started over, setting back German scientific aspirations.

"The planning process is so far advanced that it cannot be reversed," Mr von Hassel said.

The Garching reactor, said Wolfgang Herrmann, the president of Munich's Technical University, was "a central building block in the scientific-technical development concept" of the university that would provide a "quantum leap" in research using high-speed neutron flows.

Underlying the German position is a fear that the U.S. initiative will greatly hamper Germany's research capability, which is said to have broad commercial applications.

In a statement, the university said American officials had registered no concerns about the security of German procedures for handling fissionable materials, but had proposed a drastic remodeling of the Technical University's reactor.

The statement said, however, that "the Technical University of Munich will not change its proposed concept of the reactor."

Austria Wants Details on U.S. Caches

Compiled by Our Staff From Dispatches

VIENNA — Austria's leadership on Sunday demanded the United States supply details of 79 secret U.S. arsenals that remain scattered across Austria more than 40 years after they were hidden in case of a Soviet attack.

"The Americans should give us a plan indicating where the weapons depots are, how serious they have to be taken and what dangers they pose," Chancellor Franz Vranitzky said.

The U.S. ambassador, Swanee Hunt, told Mr. Vranitzky on Saturday that the United States had stockpiled the weapons as an occupation power in the early 1950s without notifying the Austrian government.

Ms. Hunt told the Austria Press Agency that she regretted that the existence of the weapons depots had not been made known earlier.

"I would like to apologize that Austria was informed so late about the matter," she was quoted as saying. "This is a relic from the Cold War." According to Austrian newspaper reports, a U.S. congressional committee screening the activities of the Central Intelligence Agency found documents pointing to weapons caches in Austria.

A report Saturday in The Boston Globe prompted Ms. Hunt to inform the Austrian government, the Vienna newspaper Kurier said.

Speaking on television on Sunday, Mr. Vranitzky cautiously indicated the possibility of secret stockpiles from the other occupation forces, France, Britain and the Soviet Union.

"Approaching the other three occupation powers and asking them whether they, too, still have secret depots on Austrian soil will be dealt with in a very pragmatic and sensible way," Mr. Vranitzky said. The chancellery said the U.S. government was working on an exact list detailing the locations of the depots.

The chancellery said Ms. Hunt told Mr. Vranitzky that the stockpiles included guns, pistols and explosives, but no atomic, biological or chemical weapons.

Austrian national television said the arsenals were set up as a provision for Austrian resistance fighters in case a postwar Soviet invasion led to guerrilla warfare.

The allied occupation of Austria ended in 1955. *(Reuters, AP)*



Luc Gnago/Reuters/Agence France-Presse

PAPAL GIFT — Pope John Paul II presenting a medal to President Jacques Chirac during the French leader's weekend state visit to the Vatican.

BRIEFLY EUROPE

Lamont Gets Political Base

LONDON — Norman Lamont, a prominent critic of the government he once served as chancellor of the Exchequer, has found a new parliamentary district after being rejected in a dozen places.

He was adopted Friday by the Conservative association in Harrogate, in central England. That means Mr. Lamont will be able to run for reelection to Parliament in the next general election, which is to be held by spring 1997.

Mr. Lamont, 53, now represents Kingston upon Thames, a district that will disappear because of reapportionment. Like several other lawmakers, he has been searching for a new base. *(AP)*

EU-U.S. Hormone Battle

BRUSSELS — European Union farm ministers are expected to give strong support to Farm Commissioner Franz Fischler on Monday in a trans-Atlantic fight to keep a ban on imports of meat treated with growth hormones. The United States warned last week it would challenge the EU ban, which went into effect eight years ago, in the World Trade Organization, claiming U.S. beef posed no threat to human health.

Only Britain is likely to urge the EU to allow the use of natural hormones.

Mr. Fischler will inform ministers of the results of a recent scientific conference in Brussels, noting that it condemned the use of B-2 agonists as growth promoters because they are a serious potential human and animal health risk. *(Reuters)*

Lithuanian Minister Quits

VILNIUS, Lithuania — Lithuania's interior minister, criticized for his actions in connection with the closure of two commerical banks before Christmas, has resigned, Lithuanian radio reported Sunday.

It said Romasis Vaitiekunas, interior minister since 1992, handed in his resignation last weekend to President Algirdas Brazauskas who is likely to accept it later this week. *(Reuters)*

Calendar

European Union events scheduled for Monday, Jan. 22.

BRUSSELS: EU agriculture ministers meet to address the conflict with the United States over imports of meat treated with hormones and reform of the European wine market.

BRUSSELS: Jacques Delors, a former EU president; Valéry Giscard d'Estaing, a former French president, and the prime ministers of Belgium, Luxembourg and the Netherlands attend talks on the communication strategy for the Euro.

TEL AVIV: The European commissioner for external relations, Sir Leon Brittan, visits Israel, where he will meet Prime Minister Shimon Peres and Trade and Industry Minister Micha Harish.

Sources: Agence Europe, AFP

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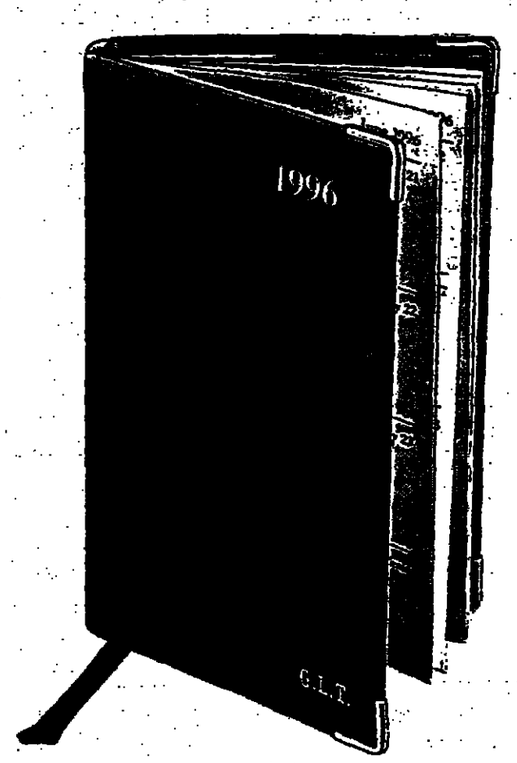
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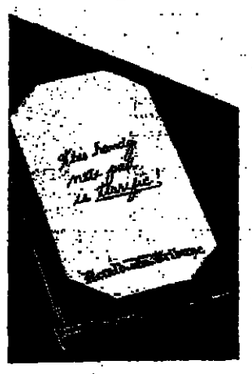
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Bitter Russian Winter

If you start, as most people do, from the belief that Russia had a right to resist the separatist drive and the separatists' hostage-taking in Chechnya, you still can be much troubled by how Russia finally ended the latest ordeal. Moscow did not demonstrate that it had exhausted the potential of negotiation or mediation. It left some number of its own citizens, as disgusted with the Chechens as they evidently were, wondering whether time rather than force might have whittled down rebel resolve. There was scarcely any pretense that Russia was using force surgically. As Americans were reminded at Waco, these are tactical matters subject to judgment and accident. But the Russian authorities' mishandling of the episode only emphasized why the Yeltsin record in the whole 13-month Chechen rebellion remains under home fire.

For President Boris Yeltsin the crisis became an assault on his leadership and prestige. The authority of the state had been directly challenged by a guerrilla group as desperate and provocative as the Russian army was brutal and inept. Certainly the Chechens made it hard for him. But plainly Mr. Yeltsin feared heading into a possible re-election campaign being called soft on rebellion and terrorism. He evidently felt that a show of strength would reduce his vulnerability to the rising rhetoric of Russian nationalism.

Mr. Yeltsin, claiming the end of the siege, said that all rebels but few Russian soldiers were killed and that most hostages survived. Since the hard-driving Russian press had been kept from the battle scene, all these contentions are subject to review. Of course, casualty counts are not the only index of official performance in these horrible episodes. A principle of territorial integrity has been upheld, an example of resistance to terrorism given. But both the civilian and the military structures of the Russian state have shown woeful crisis shortcomings. It is far from clear that Moscow can effectively prepare for the further challenges to be expected from the Chechen side.

Chechnya has been a bit of a problem for the United States, too. It has embarrassed Pentagon attempts to build professional bridges to the Russian military. In this regard, Defense Secretary William Perry got it wrong when he expressed sympathy for Mr. Yeltsin's difficulties. Chechnya also has embarrassed broader American efforts to manage a whole range of policy contacts and differences with Russia. Secretary of State Warren Christopher at least uttered a critical word, warning of an exclusively military approach, before going on in a major policy speech last week to address that full agenda.

What American officials worry about most, as they should, is not merely the handling of Chechnya but also the more general drift in Moscow. Recent parliamentary elections sharpened the tension between advancing economic reform and easing its social pain. Key figures identified with the democratic center are being pitched overboard. Negotiations for a crucial $9 billion Russian loan from the International Monetary Fund are reported to be in trouble. A growing nationalist element offers potential challenge to earlier efforts at integration with the West. Boris Yeltsin's stewardship makes supporters of democratic reform wonder whether they would do better with him or without him. And now, still, Chechnya. It is getting to be a long winter in Moscow.

—THE WASHINGTON POST.

Another China Wall?

In yet another distressing effort to strengthen its authoritarian power, the Chinese government has placed new and self-injuring curbs on the flow of information from the rest of the world. All news services providing economic data in China are now to be "supervised" by the official New China News Agency. A benign reading is that the agency is less interested in enforcing ideological conformity than in exacting a generous user fee from Western providers, chiefly Reuters and Dow Jones. But all too probably the official "supervisors" will soon be blotting out unwelcome information. Such a backward leap would bode ill for China, and for its soon-to-be subjects in Hong Kong.

The Foreign Ministry insists that the "new administrative policy" will by no means influence economic reforms or China's opening to the outside world. But nobody yet knows how this policy will be carried out, especially under an aging leadership that seems oblivious to the information revolution that is reshaping the world.

Everywhere in China, fax machines already offer instantaneous links to a global network. Satellite dishes have sprung up even in remote rural areas. Cellular telephones are beginning to appear on the streets of Beijing and Shanghai. Just ahead looms the Internet, whose advent helps explain why so many young Chinese are learning English, the common language on the information highway. In theory, no doubt, the ruling Communists could still erect a new Chinese wall and strive to block out the unwanted information now seeping into the country. In practice, enough Chinese have already looked through electronic portals to invite a popular backlash if the gates close down.

Besides, as younger officials surely realize, isolation risks the swift crippling of a high-growth economy already dependent on exports and foreign investment. Finally, free access to accurate information and the ability to respond instantly are the keys to Hong Kong's rise as the central financial clearinghouse of East Asia.

These are practical considerations that can be pressed by Western news organizations and information providers. The reliable flow of information is more than ever a requisite of economic expansion. Regrettably, a confusingly different message is sent when the conservative press mogul Rupert Murdoch bows to Chinese displeasure and drops BBC television news from a channel that he broadcasts to China. That plays directly to the simplistic Marxist thesis that capitalists will sell their birthright for a profit. If worst fears are realized, and the authorities seek to censor Reuters and Dow Jones, a far wiser response would be to tell the Chinese news agency to gather its own market information.

—THE NEW YORK TIMES.

Good News for Trade

The newly created World Trade Organization issued its first major ruling last week, rendering a judgment against the United States. A judicial panel ruled that a provision in the Clean Air Act discriminates against foreign oil producers, violating trade rules. Contrary to a reflexive denunciation by Pat Buchanan, the Republican presidential candidate who charged that the ruling threatens U.S. sovereignty, the action shows that the trade organization is off to a good start. In the long run, the WTO will greatly benefit Americans.

It is important to note that the WTO ruled against only one part of the act and affirmed the right of the United States to protect its environment to any extent it wants, as long as the law does not favor domestic producers over foreign producers. The United States has fought hard for that principle because it protects U.S. exporters.

The panel ruled that a provision of the Clean Air Act forced foreign oil producers to temporarily meet higher pollution standards than their U.S. counterparts. That judgment was reasonable. The ruling does not force the United States to change its law. If it does not, Venezuela and Brazil, the complainants, would be free to retaliate with, for example, higher tariffs against U.S. exports.

Americans have little to fear. No country relishes a fight with the biggest trading power in the world. Besides, the discriminatory provision expires in 1998, and it will take nearly that long to settle the case if the Clinton administration decides to appeal the ruling, making the whole matter moot.

The ruling helps establish World Trade Organization panels as deliberative judicial bodies willing and able to enforce rules of fair trade. That is beneficial to the United States, which brings more complaints to trade-dispute panels than any other country. Washington will win more than its share of cases in the years ahead.

The WTO has shown that it can keep trading honest. That is a welcome development.

—THE NEW YORK TIMES.

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Warlords Versus the People, Who Have No Voice

By Thomas L. Friedman

MONROVIA, Liberia — *I have been following America's United Nations ambassador, Madeleine Albright, on a tour of the four major civil wars in Africa — Liberia, Angola, Burundi and Rwanda. This column begins a diary of the trip.*

I knew it was going to be a long day when the pilots of the tiny prop plane flying us from Abidjan to Liberia asked me to sign a form releasing the U.S. government of any responsibility if we crashed. The main airport in once charming Monrovia has been closed by civil war, the pilot explained, and "there is no navigational equipment where we're landing so we may have to orbit for a while to find it."

The makeshift airstrip is still littered with the carcasses of aircraft from a civil war that began in 1989 and has since left 150,000 Liberians dead and 1.2 million displaced — out of a population of only 2.5 million people.

The first tall building you see as you drive into town is the Foreign Ministry. It is completely gutted, and squatters now occupy every floor, their laundry flapping in the morning breeze.

Liberia, which was founded by American slaves in 1847, is a country in meltdown. It is in the grip of a clique of evil warlords and teenage gunmen, who rampage in the countryside, high on drugs or drunk on moonshine made from sugar cane, where they routinely murder civilians with machetes. It is an African "Clockwork Orange" in which militias don't even pretend to stand for anything other than looting villagers of all they own.

Indeed, the militias rarely fight each other. They fight the people. The six-man ruling council, which supposedly runs the country, is made up of three warlords, two political figures and one powerless man whose title is "Representative of the Civilians."

Each of the warlords has his own floor in the executive palace, and each also controls ministries and is in private business. Prince Johnson, the warlord who is said to have killed the country's last president, Samuel Doe, by slicing off his ears, used to pass out a business card that said: "Prince Johnson, Building, Construction and Home Repairs."

On the day before we arrived, the minister of rural affairs, Roosevelt Johnson, launched his militia on a terror campaign in northern Liberia. He was allegedly running a scam stealing diamonds there, with the help of a Nigerian peacekeeping unit. The Nigerians, though, changed units, and their new commander wouldn't play along, so the "Minister of Rural Affairs" started ransacking rural Liberia, upsetting the African-brokered peace plan, which was supposed to start taking effect on Jan. 15 with the militias turning in weapons.

Mrs. Albright came to shore up the Nigerian peacekeepers and to browbeat the militia leaders into getting back to the peace plan. Charles Taylor and Alhaji Kromah, two of the ruling warlords, are eager to be interviewed by CNN and myself. While children with distended bellies haunt the streets, these two look as if they have not missed a meal.

Their watches are gold, their shoes are brightly polished, their offices are cool with air-conditioning. They are peacocks strutting through the graveyard, killers with fax machines.

Sitting on his pink divan, Mr. Kromah waxes optimistic. "A new Liberia is being born," he says. "We are developing a Renaissance." I leave thinking he is out of his mind.

There is Bosnia envy here. General J. M. Inieger, commander of the Nigerian peacekeepers, says the only way to heal Liberia is for Nigerian forces to occupy the whole country. Right now, large areas outside the cities remain under militia control.

But that would mean Nigeria increasing its force from 7,000 to 18,000 men, which would require $135 million. "It is what NATO spends in a few days in Bosnia," complains General Inieger. But no one wants to pay for peacekeeping in Liberia. "It is because we are Africans, not Europeans," says Liberian newspaper publisher Sando Moore. "People say, 'They are Africans, let them just kill each other.' "

No, Liberia will have to liberate itself. We outsiders can apply the Band-Aids to reduce the suffering, and we should. But as long as the innocent civilians have only one seat in the ruling council, any major funds poured in here will never get to the people who truly need them.

A U.S. relief worker whispered to me when we left: "I never hear any patriotism here. It's always 'What are you going to do for me?' The people here have to reclaim their country. They just have to start all over."

The New York Times.

It Isn't Hard to Understand Mitterrand's Terminal Great Lie

By Jim Hoagland

WASHINGTON — Death nailed François Mitterrand in his final lie, exposing the French president's order to his private physician to falsify periodic health reports and cover up his cancer. This borders on that rarest of commodities: a political lie worth telling.

Newspapers do not readily surrender their stake in the freedom and sanctity of information by conceding that lies can ever be valid. We have long chewed even on John F. Kennedy's announcing to the press a fake cold in 1962 that freed him to plan the Cuban missile crisis. If you have ever told a friend that his or her most recent and most dreadful book or dish is a great read, or a great meal, you understand the dilemma.

Two aspects of the final Mitterrand lie make it worth dispassionate examination by Americans debating whether they have been lied to by their first lady and other public figures. First is the sheer enormity of his falsehood. Six months after his election, Mr. Mitterrand was told by Dr. Claude Gubler that prostate cancer had spread into his body. Mr. Mitterrand's reaction was immediate and in the French context automatic.

"This is a state secret and you are bound by the secrecy," Dr. Gubler says Mr. Mitterrand told him in November 1981. The revelation is contained in Dr. Gubler's sensationalistic book "The Grand Secret," published a week after Mr. Mitterrand's death.

From then until September 1992, when the illness forced surgery that was publicly announced, the French public was told only that their leader was in good health for a man of his age. He was 79 when he died on Jan. 8, seven months after ending his second term and three days after he decided to stop taking life-prolonging medication.

The lie was a whopper of national consequence, not picayune hairsplitting over whether aides were ordered directly, or only indirectly, to fire distrusted staffers, or whether 60 hours of legal work is "significant." Mr. Mitterrand told the lie of a statesman, not of a lawyer. Nations get the lies they deserve.

Moreover, Mr. Mitterrand's health problems were hardly a complete secret. Reports of cancer treatment, including on his trips to America, surfaced on a regular basis in political conversation in Paris — although not in a French press that until recently considered it undignified if not unpatriotic to raise such matters in print.

Dr. Gubler's account, excerpted in Paris Match, puts a new light on a visit in early 1982 to The Washington Post by a senior editor from that magazine. The editor assured me and then Executive Editor Ben Bradlee that Mr. Mitterrand had been diagnosed as having cancer. He was absolutely sure of this, he said, but could not share his source with us, and was not prepared to publish the story himself. He wanted the Post to investigate and publish the story.

Our checks turned up no reliable verification. We did not publish a politically devastating story that the French press would not originate but would have felt free to pick up from abroad — just as it had in 1974, when The Washington Post, tipped off by French journalists unable to get the facts on the air or in print in France, published the first account that Georges Pompidou was fatally stricken with cancer of the bone marrow.

This is not a case in which the more things change the more they stay the same. Mr. Pompidou was frequently too ill to conduct business, and lied about that. A contemporary case is that of Boris Yeltsin, who is postponing badly needed heart surgery until after June's presidential election in Russia.

With Mr. Mitterrand, as was so often the case, two seemingly contradictory things were true: He had cancer, and he was able to conduct the presidency effectively to the end. Not only his close aides but also opposition politicians like the current conservative prime minister, Alain Juppé, confirm this.

This is the second point about Mr. Mitterrand's message from the tomb: Truth is frequently bifurcated, even if the human mind is more comfortable with either/or. Many people, for example, have concluded that two big things were true in the O. J. Simpson trial: He did it, and the Los Angeles police and prosecutors set out to frame him. It is possible that Whitewater and the White House travel office affair contain a similar double truth: Mrs. Clinton is not telling the entire truth about her role, and she is the target of a political, spiteful witch-hunt.

Complex truth sets you to work. Mr. Mitterrand, a resistance fighter and a Pétainist in wartime France, sets a high threshold for other political figures of his time: What is the lie they would choose to be remembered by when caught in it? It should be one that a nation will understand, if not forgive.

The Washington Post.

The State of the Presidency: There's No Money to Play With

By David S. Broder

WASHINGTON — On Tuesday night, President Bill Clinton must confront the reality that will face every occupant of the Oval Office for the foreseeable future: He has no money to play with anymore.

When he delivers the State of the Union Address — which will double as the keynote of his 1996 presidential campaign — Mr. Clinton will not have the option of showcasing an exciting catalogue of proposals. The realities of the budget make such a listing ludicrous.

Although the negotiating impasse remains unbroken, the congressional Republicans have won the larger part of their battle with President Clinton over fiscal policy. Deficit cutting has gained absolute ascendance over any significant effort to focus new governmental resources on the problems facing America at home.

As the White House chief of staff, Leon Panetta, told reporters the other day, in the last eight months Mr. Clinton has moved from a budget with $200-billion-a-year deficits forever, to one that would balance in 10 years under the lenient accounting standards of his own Office of Management and Budget, and finally to one that would balance in seven years under the stricter scoring of the Congressional Budget Office. "That cost us $400 or $500 billion" of future spending authority, Mr. Panetta said. That is the money that would have paid for the promises Clinton would like to make.

Mr. Clinton was bulldozed into these concessions by the power the Constitution gives Congress to control spending and by the determination of the Republicans to exercise that power to the full.

It is true, of course, as Republicans like to point out, that even under their version of the balanced budget more will be spent by Washington every year than the year before.

But most of that additional spending will be absorbed by interest payments, inflation and the steady increase in the number of people, especially the elderly, who receive government subsistence checks.

Discretionary spending, the money available once interest payments on the national debt and the entitlement payments for Social Security, Medicare and Medicaid have been made, will be squeezed harder every year, whether the final spending plan resembles Mr. Clinton's or Congress's version of a balanced budget.

In Mr. Clinton's plan, for example, discretionary spending would be reduced by $295 billion over the next seven years — almost double the $154 billion in savings he foresees in Medicare and Medicaid. (Both figures rely on the CBO's December baseline estimate of planned government spending for comparison.)

The Clinton cuts are purposely back-loaded, totaling just $33 billion from a projected $1.67 trillion sum in the first three years of the balanced-budget drive. But after that the cuts explode. In the last four years Mr. Clinton would spend less in actual dollars on discretionary programs each year than the year before. And that is without factoring in inflation or the increase in the population being served by these programs.

Since President Clinton agrees with Congress that military spending, which currently makes up almost half the discretionary account, has been cut about as far as is prudent, the cuts presumably would come mainly from domestic programs.

What this means in practical terms is that Mr. Clinton's second term (and Al Gore's first term, should he be the successor) would see a steady impairment of the government's capacity to finance transportation, housing, environmental and human service programs.

Mr. Clinton is unlikely to acknowledge that reality in his speech on Tuesday night. But it is an inevitable consequence of his political decision to resist savings of the scale that Republicans are seeking in Medicare and Medicaid.

Mr. Panetta argued that Mr. Clinton was being honorable and foresighted in balking at "structural changes" in Medicare and Medicaid, even at the price of future severe cuts in discretionary domestic spending. Certainly he has been helped politically by posing as the protector of those two popular medical entitlements.

He also has been shrewd in postponing the real pain in the discretionary spending cuts until almost the end of the century. That way he can claim to have "protected" his education and environmental and crime-fighting priorities.

But since these programs depend on annual appropriations, the Republicans can, and likely will, force Mr. Clinton to deal with the money squeeze sooner rather than later.

The reality is that he has run out of discretionary funds. The more he promises on Tuesday night, the less he can deliver.

The Washington Post.

Much Headache, Not Much Anger

By Bob Herbert

NEW YORK — The euphemism of choice for the corporate chopping block is downsizing, but variations abound. John Thomas, a 59-year-old AT&T employee, was told last Tuesday that his job was "not going forward." One thinks of a car with transmission trouble, not the demise of a lengthy career.

Other workers are discontinued, involuntarily severed, surplussed. There are special leaves, separations, rebalances, bumpings and, one of my favorites, cascade bumpings.

In the old days some snarling ogre would call you into the office and say, "Jack, you're fired!" It would be better if they still did it that way because that might make the downsized, discontinued, surplussed or severed employee mad as hell. And if enough employees got mad they might get together and decide to do something about the ever increasing waves of corporate greed and irresponsibility that have capsized their lives and will soon overwhelm many more.

Instead, with the niceties scrupulously observed, and with employment alternatives in extremely short supply, the fired workers remain fearful, frustrated, confused, intimidated and far too docile.

Mr. Thomas, who toiled for AT&T for 40 years, was quoted in The New York Times as saying: "I've had to downsize people myself, and now it's happening to me. It's not pleasant. I tried to accept it with class, but I went through a lot of emotions — sadness, worry, concern. Now I have a headache."

There is a presidential election this year, but the only prominent issues so far are Hillary Rodham Clinton's veracity, or lack thereof, and a proposed flat tax that would further fatten the portfolio of the man who is already the richest of the candidates.

Meanwhile, the concerns of ordinary working men and women continue to get short shrift. The outplacement firm Challenger, Gray & Christmas reports that more than half of the callers to its annual nationwide job search were employed. In other words, workers are so scared that they are already looking for new jobs before getting the word that they have been fired.

"This is an unusually high percentage of employed individuals calling for job assistance," said John A. Challenger, the firm's executive vice president.

A poll in New York state found that one-third of all respondents feared that they or someone in their household would lose a job in the near future. The poll's results were released the same day that AT&T, which reported profits of $4.7 billion in 1994, began notifying the first of the 48,500 workers it has targeted for dismissal.

"Insecurity is what the voters are telling us more than anything," said John Zogby, whose firm conducted the poll. "They are not planning five, 10 years in the future. They are worried about next month, next week, their next paycheck. It's frightening, is what it is."

A presidential campaign that made sense would address the tyrannical power of the great corporations and the effect that it is having on the working families that politicians profess to care so much about. Instead, Americans are led to believe that there is something inevitable about this unconscionable assault on the workforce, and its steady erosion of the American dream.

The staggering job losses, even at companies that are thriving, are rationalized as necessary sacrifices to the great gods of international competition. Little is said about peculiar notions like corporate responsibility and accountability — not just to stockholders, but to employees and their families, to the local community, to the social and economic well-being of the country as a whole.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Cuba Proposal

NEW YORK — It is stated to the Herald by the Cuban revolutionary junta that President Cleveland has instructed Secretary Olney to send to the American Minister to Madrid a friendly proposition to Spain toward settling Cuban affairs. The details of the alleged plan are that Spain should at the earliest opportunity withdraw her troops from Cuba and recognize the absolute independence of the island as a republic and accept from Cuba an indemnity fund, to be guaranteed by the United States.

1921: Italian Uprising

ROME — Six persons were killed and five wounded when the peasantry of Stellamare di Stabia, where there was recently established a Communist form of government in the name of Lenin, rose in arms today [Jan. 21] and stormed the town hall. Policemen tried to bring about a peaceful dispersal of the crowd, but found it impossible. Only after an exchange of bombs and pistol shots was order restored. The outbreak is said to have been the result of dissatisfaction with the arbitrary acts of the newly-established régime.

1946: De Gaulle Quits

PARIS — General Charles de Gaulle, who has resigned as President of France, packed up and left Paris yesterday [Jan. 21], carrying out the vow to return to private life which he made when he announced his decision to quit. Behind him General de Gaulle left a political turmoil which continued last night as the governing bodies of the three political parties represented in his cabinet struggled to form a new government. General de Gaulle said he was leaving because the country was now in a position to take care of itself.

INTERNATIONAL

Yeltsin Flirts With Soviet Past

By Lee Hockstader
Washington Post Service

MOSCOW — With practically every move he has made this year, President Boris N. Yeltsin has distanced himself from the reformist principles that his government has championed and embraced the agenda of his Communist and nationalist opponents.

He has purged the last prominent reformers from his administration and replaced them with hard-liners, opted for a bloody, frontal assault rather than negotiations to end a hostage crisis and warned of an American military threat to justify a stronger security alliance among former Soviet republics.

The Russian leader's attempt to radically retool his image comes five months before presidential elections in which he is likely to seek a second term. His strategy is clear: By attacking the unpopular policies that have defined his own presidency, he hopes to accommodate and outflank his opponents, who won a convincing victory in parliamentary elections last month.

But image-making can be about substance, too. A government devoid of reformers is unlikely to pursue reforms. Increasingly, Mr. Yeltsin's government looks, sounds and acts like its Communist predecessors. And the president himself, ailing, blustering, table-thumping, menacing, is starting to bear a striking resemblance to his Soviet forebears.

At stake is more than the personalities in Mr. Yeltsin's inner circle and cabinet. What's more important is the kind of state Russia will become whether or not Mr. Yeltsin manages to be re-elected.

Until the start of the war in Chechnya a year ago, Mr. Yeltsin's signal achievement to Russian politics was to balance the traditional, overbearing might of the Russian state with a new respect for individual liberties, however imperfectly implemented.

As the war drags on into its 14th month, however, the state's interests seem ascendant once again and the leadership's tendency to resort to violence has become a pattern. Pervomayskoye, the village in southern Russia that federal forces pulverized last week, is exceptional only because of the attention it received as a hostage situation. Russian

NEWS ANALYSIS

forces have carried out dozens of lethal attacks on towns and villages in Chechnya where civilians were the primary victims.

Mr. Yeltsin would like to be seen as the steward of a great power, but the military assault on the village of Pervomayskoye, like many other operations in the course of the war, was so flawed that Russia stands exposed as weakened, humiliated and brutal.

Tellingly, Mr. Yeltsin's most enthusiastic supporter in his decision to level Pervomayskoye was Vladimir V. Zhirinovsky, the ultranationalist who plays on Russia's sense of humiliation.

"Instead of seeing the strength of the state, we have just seen the cruelty of the state," wrote Otto Latsis, a former adviser to Mr. Yeltsin and columnist for the reformist newspaper Izvestia. "The strength of the state doesn't mean the ability to suppress and kill its own citizens. It means the ability to protect them."

As a strategy for survival, Mr. Yeltsin's plan has been tested here and found wanting.

Mikhail S. Gorbachev, the last Soviet leader, tried it in his final months in power, jettisoning his most liberal advisers and siding with hard-liners in an attempt to coopt them. Instead, he just emboldened them, with disastrous results both for Mr. Gorbachev and Soviet power.

One critical difference now is there is no Boris Yeltsin waiting in the wings, as there was in 1991. If Mr. Yeltsin falters, the alternative is not a fresh team of young reformers but Communists and nationalists, who want to revive the Soviet Union, roll back free market reforms and talk tough with the West.

"By his fatal mistakes, Yeltsin will give away countless arguments to the opposition that they would never have been able to invent themselves," wrote Alexander Baker, a columnist for the newspaper Sevodnya. History "gave Boris Yeltsin a chance to bow out with dignity. But it seems he has lost all sense of reality and will not use this chance."

By all appearances, Mr. Yeltsin's presidential campaign began at the New Year, just after he returned to the Kremlin following a two-month convalescence for heart problems.

He fired Foreign Minister Andrei V. Kozyrev, who was a favorite target of Communist and nationalist ire for his pro-Western orientation, and replaced him with Yevgeni M. Primakov, the head of Russia's vast network of international spies. In his first press conference, Mr. Primakov stressed that Russia would behave as a "great power" and pledged a more aggressive pursuit of Russian interests, especially in regard to the West.



Residents removing their possessions from ruined homes in Pervomayskoye after the hostage standoff.

In Italy, More Time To Settle The Crisis

Compiled by Our Staff From Dispatches

ROME — President Oscar Luigi Scalfaro met Sunday with the speakers of both houses of Parliament and the caretaker prime minister, Lamberto Dini, for more consultations on how to solve Italy's "pathological" political crisis.

Mr. Scalfaro ended a marathon week of meetings with warring political parties on Saturday with an ultimatum: agree quickly on forming a new government or face elections.

Clearly irritated by what he called the "serious pathological situation of our democracy," Mr. Scalfaro said he had agreed to a request from former Prime Minister Silvio Berlusconi to give parties extra time to try to agree on vital constitutional and electoral reforms and on how to form a government to pursue them.

He said "serious steps" had been made since Mr. Dini resigned 10 days ago, and he said he did not want to lose that momentum "since we've been talking about reforms for the past 13 or 14 years".

But if talks failed, an early election was the only option.

Mr. Dini, an unelected technocrat prime minister, ended the 54th postwar government after losing majority support in the hung Parliament.

As signs grew of an imminent deal between the main center-left and center-right blocs on a cross-party government to reorganize the messy electoral system and reform the 1948 Constitution, Mr. Dini was widely believed likely to be given a fresh mandate.

But, in a twist typical of Italy's labyrinthine politics, the tentative agreement suddenly fell apart, fresh divisions surfaced and the crisis appeared to be right back to square one.

Mr. Scalfaro's decision to grant a pause gives Mr. Berlusconi a chance to try and head off a split with Gianfranco Fini, the hard-right political leader who is his main ally in a right-wing alliance.

Mr. Fini's National Alliance is credited with 25 percent of voting intentions if elections were to be held now. *(Reuters, AFP)*

LANGUAGE

To Squish or to Squash?

By William Safire

WASHINGTON — "Time Warner is three times as big as Rupert's company," said the cable tycoon Ted Turner, joshing his rival Rupert Murdoch before an audience of media moguls. "I'm looking forward to *squishing* Rupert like a bug."

In reporting this jejune jocularity, Reuters, Variety, and The New York Daily News spelled the key verb *squash*, with an *a*. In Atlanta, Gareth Fenley compared these accounts with this report from The Associated Press: "Ted Turner says he would *squash* media magnate Rupert Murdoch 'like a bug,' " wrote an AP television writer, Lynn Elber, but in transmitting the direct quote, she used *squish*. Notes Fenley, who works for one of the Turner companies: "I found the pertinent sound bite on videotape, and an accurate transcript of it in our tape log. Mr. Turner definitely did not say *squashing*, although his pronunciation of *squishing* might conceivably be rendered as *squooshing*."

Squash, formed from the Vulgar Latin *exquassare* — *ex-* ("out") and *quassare* ("to shake") — was first on the scene in 1565, meaning "to press into a flat mass," and it gained an extended meaning of "to suppress."

Only a century later, *squish* appeared both as an alternative to *squash* and with special reference to the soft, damp sound made by the act of pressing a boot into mud. Other variants of this onomatopoeic verb are *squush*, more recently spelled *squoosh*, and *smoosh*.

□

Which is correct, *squish* or *squash*? In words imitating sounds, latitude is given to variants. The Standard English word for the sound made by crushing a bug is *squash*; legitimate dialectal variants are *squish* and *squoosh*. To give this seemingly minor subject universal relevance, let us issue a stylistic diktat: When a reporter quotes someone using the variant, the quotation should use the spelling that most closely follows the sound of the variant usage; on second reference, or even in the lead if outside of quotes, the standard form should be introduced. Thus: "'I'll *squish* you!' he cried. Smiling at the joking threat to *squash*, he replied. . ."

Joan Stricker of Great Neck, New York, asked about an expression in use among children in the Bronx: "*Chinky chose* always shows." She wondered if it was rooted in an ethnic slur.

A query to the Dictionary of American Regional English (DARE) at the University of Wisconsin drew much head-scratching until Donald Rubin of Oakland, New Jersey, who grew up in the Bronx in the 1930s, told his daughter Ann, my editorial assistant, that " '*Chinky chose*, odds or evens' was the expression. You'd select odds or evens and, simultaneously with your friend, shoot out one or two fingers. If the choice was the same, it was even; if he stuck out two and you one, it was odd. Two out of three won. It was used to choose up sides, to determine who would bat first, like that."

Then in came this query from Helen L. Gritz, of Yonkers, New York: "I have exhausted every reference work in the library to find the derivation of *'Chinky chose* always shows.' In New York City during the '30s, when a play was disputed (for example, when I hit the ball and thought it was fair, but the other team called it foul), you'd agree to a 'do-over.' Then if I got a hit, my team would shout, *'Chinky chose always shows!'* But if I struck out, the other team would give voice to that chant."

□

In both the Stricker and the Gritz examples, the phrase seemed to mean "the truth will out, you see?" An editor at DARE, Leonard Zwilling, who grew up in the Bronx, reported: "I recall when there was a 'do-over' that was unsuccessful, that team would be taunted with *'Chinkee chose, Chinkee chose,'* as if that failure demonstrated — showed — the nonlegality of the disputed play."

Now Cassidy is prepared to make a cautious guess about the etymology: "*Chinky* is probably a variant of *chintzy* and/or *chinchy* (and probably related to *chino* and *chintz*, the fabric), which all have Chinese or Oriental connections." An ethnic stereotype about Chinese immigrants dating back to the gold rush was that they were clever and penny-pinching. "So in the Bronx game," says the great dialexicographer, "*Chinky* may very well mean *Chinaman* who 'always shows' or contests an adverse decision in a game, trying to get all he can."

O.K., the ethnic slur is the *Chinky*, but what about the *chose?* The French word for "thing"? Cassidy explains: "*Chose* is most unlikely to be French. Mostly it seems to be a rhyme — the word to go with the key element of the whole phrase, *shows*."

New York Times Service

Visit to Bosnia Killing Fields

U.S. Official Vows a Mission for Justice

By John Pomfret
Washington Post Service

GLOGOVA, Bosnia-Herzegovina — A senior U.S. diplomat became the first Western official to visit the killing fields in Bosnian Serbian territory on Sunday and said that only when the men who carried out the massacres were brought to justice would a durable peace take root in the region.

The diplomat, John Shattuck, assistant secretary of state for human rights, also stressed that his journey to six sites near the former UN-designated "safe area" of Srebrenica allowed him to verify accounts by witnesses that thousands of Muslim men had been executed there after the Serbian onslaught on the village in July.

He added that, despite some reports from northern Bosnia, he had no information that the Bosnian Serbs were tampering with other possible mass grave sites or places where atrocities are said to have occurred.

Mr. Shattuck said his visit to the area was meant to highlight American support for the International War Crimes Tribunal in The Hague and to assess what kind of security would be needed for its investigators to pursue their inquiries into the massacres in the former Yugoslavia. The tribunal's investigators are anxious to search the region quickly for evidence to prosecute crimes against humanity and genocide.

But Mr. Shattuck's visit, and his comments, stood in contrast to the attitude of the NATO-led force here.

As Mr. Shattuck was moving from gravesite to gravesite around Srebrenica with a small team of security personnel, American soldiers manned positions several miles from the town but had so far not ventured near it.

In addition, the NATO operation issued a statement Sunday that must have dampened the expectations of The Hague tribunal. The NATO statement, issued by Admiral Leighton Smith of the U.S. Navy, the commander of the Bosnia operation, said: "NATO is not, I repeat NATO is not, going to provide specific security, or in other words guarantee security, for teams investigating these grave sites."

"Our job," the statement said, "is to provide an environment in which they can accomplish their missions. That does not mean that we will guard individual grave sites. That does not mean that we will provide security."

The wording seemed to contradict Mr. Shattuck's assertion that one of NATO's tasks — after it had separated the warring parties — would be "to provide security for investigations of the kind that will be conducted by the international war crimes tribunal."

"Clearly, security will be needed," Mr. Shattuck said. "That task will be taken up as soon as the primary task is completed."

"It is the responsibility of the international force to do so," he added.

Mr. Shattuck that the tribunal's investigations should be supported by NATO because Muslims, Croats and Serbs will never have peace until they come to terms with the atrocities of the war.

"The underlying fact here is that, ultimately, justice and long-term peace must go together," he said as he stood before a soccer field where, reportedly, 2,000 Muslim men were rounded up before being shot. "That is a fundamental element of the Dayton accord."

Mr. Shattuck journeyed to places around Srebrenica in eastern Bosnia where Bosnian Serbs are believed to have massacred thousands of Muslim men after they seized the town on July 11, 1995. About 7,000 men are still missing. An additional 26,000 women, children and elderly were expelled from the area.

Chechens Reported Set to Free Hostages

Compiled by Our Staff From Dispatches

MOSCOW — Chechen rebels plan in the next two days to release hostages they took with them when they escaped a Russian assault on a southern village, a separatist spokesman said Sunday.

"The release of all the hostages will be carried out on Tuesday in the town of Novogroznensky," said a man who identified himself as Iskhanov and described himself as an aide to the rebel chief of staff, speaking by telephone from Chechnya.

This could not be independently confirmed, and the caller did not say how many hostages would be freed.

But he said those to be released were "hostages taken by Raduyev," referring to Salman Raduyev, the leader of the gang who had been holding the hostages in Pervomayskoye, a village in the Dagestan region, just over the border from Chechnya.

Novogroznensky is east of Chechnya's capital, Grozny, in an area where some rebels loyal to the separatist chief Dzhokar Dudayev have been operating.

Rebel leaders say Mr. Raduyev and other commanders escaped the onslaught on Pervomayskoye.

It is not known how many hostages may have left the village. But a rebel leader in eastern Chechnya told Agence France-Presse on Sunday that the guerrillas were still holding about 60 hostages. An AFP correspondent was shown 37 hostages, including 16 policemen, being held in Chechnya.

Nazar Edilkhadzhiyev, one of the field commanders in charge of the hostages, said that about 20 more had been brought in from Dagestan overnight. An unknown number of others were being treated in hospitals or being kept at other sites, guerrillas said.

General Mikhail Barsukov, the man in charge of the assault, said 82 of an estimated 120 hostages were freed and the fate of others was unknown. Official figures on the rebels killed varied from 150 to 180.

In Turkey, a Black Sea ferry with around 200 freed hostages who were seized last week by pro-Chechen gunmen left Turkey for its original destination, the Russian port of Sochi.

The mostly Russian passengers tossed red and pink carnations into the water as the ferry got under way while hundreds of Turks stood in the cold to wave goodbye.

Turkish officials said 15 to 20 of the original Turkish passengers decided to disembark and not go on to Sochi. Nine Russian passengers decided to return by bus to the Turkish Black Sea port of Trabzon, where the hijacking began on Tuesday.

The hijackers originally threatened to blow up the ferry in the Bosporus in protest at Russia's heavy-handed tactics against Chechen rebels. *(Reuters, AFP)*

Iraq Asks UN For Talks on Limited Oil Sale

Washington Post Service

UNITED NATIONS, New York — Iraq has informed the UN it is willing to begin negotiations on selling limited amounts of oil to get humanitarian supplies for its people.

A message from Deputy Prime Minister Tariq Aziz to Secretary-General Boutros Boutros Ghali said Iraq would begin discussions in effecting an oil sale under the provisions of Security Council Resolution 986, which is designed to provide limited relief from the sanctions applied after the Gulf War.

A UN spokeswoman said Mr. Boutros Ghali had suggested the talks occur in New York as soon as possible.

BOOKS

IN THE BEAUTY OF THE LILIES

By John Updike. 491 pages. $25.95. Alfred A. Knopf.

Reviewed by
Michiko Kakutani

YEARS ago, in one of his glittering essays, John Updike wrote of his admiration for novels that "give us, through the consciousness of characters, a geography amplified by history, a chunk of the planet."

Up until now, the chunk of planet Updike has chosen to explore himself — 20th-century America, as colonized by the middle class — has been most knowingly and most intimately chronicled in his Rabbit novels, a quartet of books that gave us four decades of American life as seen through the experiences of a high school basketball star turned car salesman, Harry (Rabbit) Angstrom.

Now, in his dazzling new novel, "In the Beauty of the Lilies," Updike takes on an even more daunting project: to chart the fortunes of an American family through four generations and some 80 years, and in doing so, create a portrait of the country, from its nervous entry into the 20th century to its stumbling approach to the millennium.

"In the Beauty of the Lilies" — which takes its clumsy title from a line in "The Battle Hymn of the Republic" — is not only Updike's most ambitious novel to date, but arguably his finest: a big, generous book, narrated with Godlike omniscience and authority and populated by a wonderfully vivid cast of dreamers, wimps, social climbers, crackpots and lost souls, a book that forces us to reassess the American Dream and the crucial role that faith (and the longing for faith) has played in shaping the national soul.

Religion, of course, has rumbled through the pages of Updike's fiction from the start, from books like "The Poorhouse Fair" and "A Month of Sundays" through "Couples" and "Roger's Version."

Most of Updike's heroes feel themselves torn between their spiritual aspirations and their fleshly compulsions, between their yearning for redemption and their dark suspicion that no meaning exists. Like Henry Bech, they worry that they are nothing but "a fleck of dust condemned to know it is a fleck of dust." Like the witches of Eastwick, they see that "the outside of things was sunshine and scatter" while "the inside of everything was death."

These existential anxieties culminate in the opening pages of "The Lilies," when the progenitor of Updike's American family, the Reverend Clarence Arthur Wilmot, suffers an acute spiritual crisis. It is 1910, and at 2 o'clock one fine spring afternoon in Paterson, New Jersey, Clarence feels "the last particles of his faith leave him" forever. The loss comes as a palpable, physical sensation, and it leaves Clarence adrift in a universe suddenly rendered empty and devoid of hope.

A Presbyterian minister by vocation, Clarence realizes that his loss of faith will have worldly consequences for his family as well: namely, the loss of their parish-owned house and their social standing in the community. In fact, employment for a lapsed minister is hard to come by, and Clarence soon finds himself going door-to-door hawking cheap encyclopedias: items he regards as vaguely blasphemous products, "a commercially inspired attempt to play God, by creating in print a replica of Creation."

In his free time, Clarence goes to the movies, where he watches the world being created anew in newsreels and features and shorts.

Clarence's youngest son, Teddy, inherits his sense of defeat, his desire to survive "this vale of tears" with "minimal damage." Though he suspects that "the only way to be an American" is to go out into the world and compete, he prefers to sit at home "collecting innocent things — stamps from foreign countries that gave pieces of paper the power to fly around the globe." He will eventually become a postman in the small Delaware town of Basingstoke.

The closest Teddy ever expects to come to a religious experience is the blinding realization that he should forsake his flailing efforts to pursue a career in New York and instead return home and marry his old sweetheart, Emily, a pretty girl with a clubfoot who shares his sense of diminished expectations.

It is Teddy and Emily's beautiful daughter, Essie, who approaches life — and faith — with supreme self-confidence, an attitude of entitlement that enables her to glide from experience to experience, undamaged by disappointment or fear or ordinary mortal doubt.

Convinced of her own perfection, Essie leaves Basingstoke for a modeling career in New York, and from New York makes the leap to Hollywood, where she becomes, however briefly, a screen goddess.

While the presiding image of "Rabbit Redux" (1971) was the moonshot in all its hope and glory, the informing metaphor of "The Lilies" is a more ambiguous one: the metaphor of the movies, which are for Updike's characters a secular substitute for religion, promising eternal life (on celluloid) in place of real redemption, narrative order in place of Calvinist predestination.

In tracing the history of the Wilmot family, Updike has written an important and impressive novel: a novel that not only shows how we live today, but also how we got there.

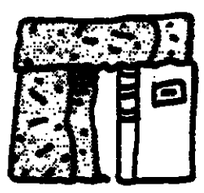
Michiko Kakutani is on the staff of The New York Times.

WHAT THEY'RE READING

• **Bernard Yallop**, superintendant of Her Majesty's Nautical Almanac Office in Britain, has just read *"Stonehenge Decoded"* by Gerald S. Hawkins.

"It is a very readable book, if a bit technical. Hawkins lets his mind wander as to the background and the history and the legends."

(Barry James, IHT)



BRIDGE

By Alan Truscott

ROBIN Kay, whose father, Norman, has 28 national titles, celebrated two years as president of the Greater New York Bridge Association by winning two titles at a regional tournament in Manhattan.

The last deal of the final turned defeat into victory. North and South used fancy methods to decide on a trump suit when two eight-card fits were available.

Two diamonds was a weak two-bid, and when South bid two spades and West raised diamonds, North could have been forgiven for assuming four spades was the right contract. But he had a special tool available: the double of three diamonds was a transfer to hearts.

When South bid three hearts, North could not be sure that his partner held any hearts at all. His bid of four diamonds was a "choice of games" request. South had two more hearts than he might have and minimum spade length, he selected that suit and the better contract.

The defense took two diamond tricks and led a spade to the king and ace. South subsequently drew trumps and made 10 tricks, discarding dummy's spade loser on the third round of clubs. He had needed the heart jack to fall on three rounds.

The opposing North reached four spades, which needed East to have the spade ace, doubleton or tripleton, unlikely in the light of the auction. Four spades duly failed, and the Kay team gained 12 imps to win the match by 7 and with it the title.

NORTH
♠ 7 5 2
♡ A K Q 10 8 4
◇ Q 3
♣ K 6

WEST
♠ A J 9
♡ 6 3
◇ J 9 2
♣ 10 9 7 4 2

EAST (D)
♠ 10 6
♡ J 5 2
◇ A K 10 8 7 4
♣ J 5

SOUTH
♠ K Q 8 4 3
♡ 9 7
◇ 6 5
♣ A Q 8 3

North and South were vulnerable.
The bidding:

East	South	West	North
2 ◇	2 ♠	3 ◇	Dbl.
Pass	3 ♡	Pass	4 ◇
Pass	4 ♡	Pass	Pass
Pass			

West led the diamond two.

INTERNATIONAL



Jean-Christophe Kahn/Reuters

Treasury Secretary Robert E. Rubin as he was leaving the Group of Seven talks. He was followed by Alan Greenspan, the chairman of the U.S. Federal Reserve.

Q&A / **Lawrence Summers**

U.S. Eyes Are on Russia

Senior financial officials from the Group of Seven leading industrialized countries met in Paris over the weekend. Lawrence H. Summers, the U.S. deputy Treasury secretary, discussed Russia, Bosnia and a range of economic issues with Alan Friedman of the International Herald Tribune.

Q. Just a few days ago one of Russia's leading economic reformers — Deputy Prime Minister Anatoli B. Chubais — quit the government. That has alarmed a lot of people, especially because Mr. Chubais's departure came amid critical negotiations on a $9 billion loan from the International Monetary Fund. How concerned is the Clinton administration?

A. What's ultimately important is policies, not personalities. But whenever a key figure changes, you watch closely. The United States urges Russia to continue on the path to economic and democratic reforms, and we will be watching very closely the steps that will be taken in the next few weeks and months. We will also be watching closely Russia's ability to conclude a strong new agreement with the IMF, which many expected to have been concluded this month.

Q. You and your G-7 colleagues talked about Bosnia, where the United States and Europe are wrangling about how to share the burden of an initial $3.7 billion of reconstruction aid. How much will Washington provide?

A. We are prepared to contribute $600 million over three years.

Q. But the Europeans want it to be one-third Europe, one-third the United States and one-third Japan and the Islamic world.

A. I think that when you look at burden sharing, you have to look at who has the greatest burden of peacekeeping.

•

Q. How worried are you about Japan's financial problems?

A. I think Japan has made progress and has responded to the concerns the international community had last summer by bringing down interest rates, by an abnormally large stimulus package and by starting to address directly some of the most seriously troubled financial institutions.

Q. You discussed the European slowdown in the G-7 meetings. How does it look to you from Washington?

A. We watch developments in Europe very closely. The Europeans have made some important progress toward bringing deficits under control, and long-term interest rates have come down. But it is a situation that needs to be watched, and an absolutely essential part is structural reforms, especially on the unemployment front where labor markets need to be made more flexible so firms have an incentive to hire.

Q. European politicians talk a lot about structural reforms, but there is little action. Do you think they will act any time soon?

A. I hope so, and I detect an increasing consensus in Europe of the sort that often precedes action.

•

Q. Are you worried that the Maastricht treaty on single currency conditions could tip Europe into recession?

A. European monetary union is a decision for the Europeans.

Q. Are the Maastricht criteria too strict?

A. That's not something I want to comment on.

Q. What is the U.S. position on European monetary union?

A. What is important to us is that Europe succeeds economically. If it does, it will be a larger market for U.S. exports. Our interest is in a stronger Europe and a successful European economic integration project. Just how that goes forward is not our concern.

•

Q. You're going back home to a budget battle and the technical danger of a default if Congress does not lift the debt ceiling by Feb. 15. What's your next move?

A. We can get to Feb. 15. The right solution then is not some extraordinary trick. It is for Congress to recognize that the U.S. will have to borrow for the next few years, no matter what budget passes and no matter who is president. The president has shown we can have a balanced budget in seven years. It's there.

The question is whether the Republicans insist on turning Medicare into a second-class system and leaving millions more children without health care in order to finance larger tax cuts for those with larger incomes. That the president will not accept.

Potomac Floods Soak Washington

Winter's Toll Up to 30

Reuters

WASHINGTON — The U.S. capital was hit with another bout of winter weather misery on Sunday when the Potomac River burst its banks, causing what is expected to be the city's worst floods in a decade.

Emergency officials now estimate that 30 people have died in recent weeks as a direct result of blizzards, snow storms, floods and record freezes that have swept the United States.

Extreme cold hit the Midwest over the weekend, and a severe weather warning, indicating more rain and snow fall, was issued on Sunday in parts of California, Oregon and Wyoming.

In the Washington region, home and business owners sandbagged properties in an attempt to hold back the torrents but much of their work was in vain as the Potomac, engorged with recent record snow falls, rose up to eight feet (2.5 meters) beyond normal flood levels.

"We're putting down bags to help retard some of the water, but if it gets any higher I'll be in trouble," said a property owner in Alexandria, Virginia.

Streets in Washington's Georgetown district, adjoining the Potomac, were under water, and city officials issued flood warnings and redirected bus services.

In Pennsylvania, the Susquehanna River swamped the state capital, Harrisburg, knocking out a bridge and flooding the governor's mansion. More than a thousand were evacuated from their homes.

Farther upstream at Wilkes-Barre, thousands of residents returned home after the worst flood danger passed.

Governor Tom Ridge of Pennsylvania, who spent the night at a state police barracks after his residence flooded, complained of a slow response from the federal government.

The governor said he would ask for more aid than had been already pledged to offset the costs of a blizzard 12 days ago.

Mr. Ridge, a Republican, said the Federal Emergency Management Agency had ignored his pleas for help.

G-7: *In Europe, the Risk of a Deflationary Trend*

Continued from Page 1

fidence and to put a brave face on Europe's economic difficulties by claiming that a rebound could come later in 1996. They dismissed talk of a slide into recession.

The officials also stressed their desire for a stronger U.S. dollar and their hopes that European economic-growth rates would recover thanks to falling interest rates. Among those cheering on the dollar were Hans Tietmeyer, president of the Bundesbank; Robert E. Rubin, the U.S. Treasury secretary, and Wataru Kubo, Japan's newly named finance minister.

Mr. Rubin, who skipped the official G-7 dinner on Saturday and sped back to Washington for negotiations with Congress on balancing the U.S. budget, said a stronger dollar was in the United States' best interest.

Mr. Tietmeyer said that although it had recovered from its lows of a year ago, the dollar had not yet "exhausted its upward potential."

Apparently in a warning to financial markets that they should take seriously the desire for a stronger dollar, several G-7 officials stressed that their governments would continue "close cooperation on the foreign-exchange market."

On the subject of German interest rates, which many economists expect to be lowered at some point during the next two to three months, Mr. Tietmeyer said Saturday that "for the time being, further decisions are not at all on the agenda — not at all."

Separately, French and German finance ministers met here in an effort to flesh out the content of a vague announcement last week by President Jacques Chirac that France and Germany were planning to launch a joint package of measures to aid their flagging economies.

But neither Theo Waigel of Germany nor Jean Arthuis of France offered any details when asked about the planned French-German initiative.

G-7 officials did indicate, however, that in an effort to tackle rising unemployment, France and Germany were searching for ways to announce at least some limited steps to increase the flexibility of labor markets.

A meeting in Paris between U.S. and Japanese ministers resulted in praise from Mr. Rubin for Tokyo's efforts to deal with the problem of $60 billion worth of bad debts held by the *jusen*, or the housing finance companies.

In one of several upbeat statements made by G-7 officials, Mr. Summers said he saw a "high-investment, low-inflation recovery in the United States" and "some progress in Japan since the last time this group met."

The G-7 officials also discussed plans for the reconstruction of Bosnia, with Japan pledging to increase its contribution to an aid program through the World Bank from $20 million to $50 million. That is still considered far too small by U.S. and European officials.

G-7 Satisfied With the Dollar

But Further Gains Considered Unlikely

By Carl Gewirtz
International Herald Tribune

PARIS — The absence of any specific statement about the dollar at the weekend Group of Seven ministerial meeting here should be read as a signal that it is satisfied — both with the gentle appreciation of the currency and steady reduction in European interest rates.

"But expectations of further significant gains for the dollar at this point look misplaced," said Neil MacKinnon, a London-based analyst at Citibank. "The market is already well disposed to the dollar and, if anything, traders may use the lack of any statement as an excuse to pocket the profits they've already made and sell the currency."

The dollar currently is at 1.4803 Deutsche marks, up 2.5 percent over last week and its highest level since last September.

At 105.355 yen, the dollar is up a mere 0.1 percent over the week and below the monthly high of 106.57 set on Jan. 4.

For Avinash Persaud, a London-based analyst at J.P. Morgan & Co., the current strength of the dollar versus the mark "does not signal a move into the dollar, but rather a move out of the mark" for investment in other European currencies such as the lira, where interest rates are significantly higher than those prevailing in Germany.

The market is 'well disposed' to the U.S. currency.

"Investors are stretching for yield," Mr. Persaud said, "and therefore have a greater appetite for risk."

What speculation there is currently is not focused on the foreign exchange market but on European bond markets. "With European economies weak and governments unable to relax fiscal policies, interest rates have got to be cut," Mr. Persaud said, adding that "only the fear of a rise in German interest rates can prick that bubble."

As for the yen, neither expert sees much likelihood of a significant weakening against the dollar this close to the end of the Japanese financial year on March 31. Mr. Persaud noted that "a tendency for the yen to appreciate 2 to 3 percent in the runup to the year-end."

Mr. Persaud also cautioned that there was likely to be a temporary ceiling to the dollar at 1.50 DM. He expects German exporters to sell the currency at that level.

A further uncertainty for the dollar is the Jan. 30 meeting of Federal Reserve Board policymakers. There is no clear view on whether they will further reduce U.S. interest rates. John Lipsky at Salomon Brothers Inc. in New York said that "odds are moving in favor of a new cut," but the view at J.P. Morgan is that a cut this month "seems unlikely."

Perhaps more important for the foreign-exchange market, analysts agree, is how the U.S. bond market reacts. No cut in interest rates, ostensibly favorable for the dollar, could cause disappointment in the bond market and trigger a sell-off that could deter any new move into the currency.

ARAFAT: *A New Era Begins*

Continued from Page 1

dismiss the poll for its many and obvious flaws, the very fact that the Arabs of the West Bank and Gaza Strip had voted in large numbers, and with high enthusiasm, established more than any formal agreement with Israel that there was no turning back.

"This is a new era," Mr. Arafat declared. "This is the foundation of our Palestinian state."

Though he still wore his military tunic and checkered kefiyeh, Mr. Arafat, 66, could no longer be dismissed by Israelis as a "terrorist" who derived his authority from the gun, or by Islamic nationalists as the hand-picked collaborator of the Israelis and Americans.

With more than 85 percent of the vote, Mr. Arafat was the undisputed "Raees," the leader, chosen by his people.

And it was not only as an icon of the Palestinian struggle that Mr. Arafat won. In the two years since he made his historic peace with Israel, Mr. Arafat had surprised many of his detractors by actually settling in Gaza, the poorest of the Palestinian areas.

Many commentators found it noteworthy that the largest turnout, more than 85 percent, was in Gaza, where the militant Islamic movement Hamas was supposed to have had its greatest strength.

The vote was the strongest indication to date that a majority of Palestinians preferred Mr. Arafat's imperfect compromises to the absolutist dreams and military struggle of Hamas.

At the same time, the vote for the Palestinian Council showed that the Palestinians were not blindly devoted to Mr. Arafat. Preliminary indications were that its 88 members would include a sizable block of deputies who had run as independents against the official Fatah slate, or had a reputation as critics of Mr. Arafat.

David Grossman, the popular Israeli writer, described the election as the triumph of reality over fantasies.

"What was 10 years ago no more than a dream of returning to the orchards of Jaffa is gradually becoming a complex reality of interests and conflicts of interest, with all the petty personal struggles and deep wisdom of Realpolitik," he wrote in Yedioth Ahronot.

"In order to establish an international border, it was first necessary to define the borders of dreams and fantasies. Yesterday, another milestone was laid along the long road to this awakening."

None of that meant that the final round of negotiations with Israel, which are supposed to start in May and conclude with a comprehensive settlement before the end of the century, would be any easier.

If anything, the fierce contest over how the Palestinians would be allowed to vote in East Jerusalem demonstrated the passions that surrounded the status of Jerusalem, not to mention issues like the future of Israeli settlements or the sharing of water resources.

But at least Mr. Arafat would be entering the next round as a legitimate representative of a self-ruled nation, not as a spokesman for the grievances of a subject people.

And even if conservatives opposed to Palestinian self-rule came to power in Israel, they would have to reckon with Mr. Arafat and the Palestinian Council as the internationally recognized leadership of the Palestinians.

RUSSIA: *Nuclear Pacts Are Stalled, U.S. Says*

Continued from Page 1

Mr. Yeltsin also "urged progress" in carrying out a 1994 agreement by which Russia was to cease producing plutonium, the key building block of nuclear weapons. That has not happened either, the officials said, but for different reasons: The United States has been unable to come up with the money to replace the electric power and heat generated by the Russian's plutonium-producing reactors, so the reactors are still operating.

Talks on that issue are to resume this month, Energy Department officials said.

■ Christopher to Russia?

Russian and American officials are discussing a trip to Moscow by Secretary of State Warren M. Christopher to discuss the administration's concerns about the ouster of reformers from the government, U.S. officials told the Post.

Greek Cabinet Balances Reformers and Loyalists

Reuters

ATHENS — Greece's new Socialist cabinet, named Sunday, kept Economy Minister Yannos Papandoniou and Finance Minister Alexandros Papadopoulos but brought in several leading party reformers, a spokesman announced.

The most controversial appointment by Prime Minister Costas Simitis was the foreign minister, Theodoros Pangalos, who publicly insulted Germany when Greece last held the European Union presidency.

Mr. Pangalos, who in 1993 likened Germany to "a giant with bestial force and a child's brain," had left the government of former Prime Minister Andreas Papandreou and joined Mr. Simitis's group of party reformers.

Mr. Simitis, 59, was chosen prime minister last week, succeeding Mr. Papandreou, who has been hospitalized since Nov. 20 with complications from pneumonia.

Mr. Simitis's cabinet appeared to be a well-balanced mix of Papandreou loyalists and members of his own reform camp. The government will be sworn in Monday.

GIVENCHY: *Galliano Debut*

Continued from Page 1

and dresses giddily patterned in black and white.

With its rock star glamor, luxury and panache, Versace's show should have been a number one hit. But there are words in the music business for his fashion technique: sampling and remixing.

Was there anything in his show that had not been seen before on his own runways? There were more animal species than Sting could find in a rain forest — different pelt-prints used for Jackie Kennedy-style outfits, shoes and hose. Then there was leather — mixed with lace for sexy dresses, and reprises of leather and lace spliced with Versace's metal mesh. An upstanding squaw feather finished the look.

For the paparazzi who are ardent Versace enthusiasts, there were glam gowns, like the long dress pared away at the back that would make a great Oscar exit line.

But Versace's familiar routine of supermodels baring beautiful bodies seems stuck in a groove.

Play it again Elton? No, time to try a new fashion tune.

Landslide for Arafat, Other Results in Doubt

By Barton Gellman
Washington Post Service

JERUSALEM — International and domestic monitors on Sunday endorsed the Palestinian election, warts and all, as a watershed for Palestinian democracy, even as confusion reigned on its official results.

About three-quarters of a million Palestinians cast ballots in the West Bank, Gaza Strip and East Jerusalem on Saturday for a president and 88-seat legislative council. But though partial tabulations suggested a landslide victory for Yasser Arafat, the composition of the parliament remained a mystery.

Counting errors and overlooked polling stations led Mohammed Shtayeh, general secretary of the Central Election Commission, to postpone a series of announcements on who won seats from each of the 16 polling districts. Hebron's results, for example, had to be recounted when the commission discovered that 21 polling stations had been overlooked.

The most serious incident was the election-day shooting death of a Palestinian election observer in the West Bank village of Sallam. But there was no indication that the killing was intended to affect the vote.

There were enough irregularities in the conduct of the vote that neither the European Unit's poll-watching unit nor an international delegation led by former President Jimmy Carter chose to use the formula that the election was "free and fair."

But Carl Lidbom, chief of the European unit, said the vote "can reasonably be regarded as an accurate expression of the will of the voters on polling day," and Mr. Carter said his delegation's "overall conclusion is that the Palestinian people had an historic opportunity to choose their leaders yesterday, and they did so with enthusiasm and a high degree of professionalism."

CROSSWORD

ACROSS

1 Corporate head, for short
4 Scotch or masking, e.g.
8 Disco light
14 Patient care grp.
15 Food gelling agent
16 Home on the reservation
17 "Apollo 13" actor
19 Tough time
20 Come back into, as the atmosphere
21 Lifesaving skill, for short
22 14-Across employees
23 *Sumatra's land*
25 Alley —
27 — Moines
28 Crier of "Wolf!"
32 Yields
33 "When — Loves a Woman"
36 Gymnastics coach Karolyi
37 Follower of Mar.
38 Meetings of presidents
41 Pussy
42 Bridle part
44 Noël Coward and others
45 Pet —
47 Borrowing as a financial tool
49 It's south of Ga.
50 *Greek letter*
51 Mail recipient
56 All-out fight
58 Hypodermic amts.
60 Magazine deal
61 Attack
63 Modern college lodging
64 "Burnt" Crayola color
65 Auto maker Ferrari
66 Bullfight cry
67 Like football clothes
68 —-do-well
69 Part of m.p.h.

DOWN

1 "Mon —"
2 German city
3 Expressed wonderment
4 Feature of Granny Smiths
5 Concurs (with)
6 Skating couples
7 Uhs' kin
8 Halt
9 Fright
10 Crimson
11 Newspaper essay, maybe
12 Chicago footballer
13 Wrigglers
18 Battery part
21 French port city
24 60's TV sign-off, straight from the horse's mouth
26 Fed, money overseer
29 Picnic runner
30 Czech or Pole
31 London's — Gallery
32 Runner Lewis
33 Fencing rapier
34 Where to learn parallel parking
35 Some computers
39 "Surfin' —-" (1963 hit)
40 Magnificence
43 Center court sight
46 Facilitated
48 Molière contemporary
49 Police yell
52 Talk on and on
53 In one fell —
54 Baseball Hall-of-Famer Combs
55 Mr. Fudd
56 Hornet
57 Pacific rim region
58 Bedecked
62 Plus
63 100 yrs.

Solution to Puzzle of Jan. 19

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Puzzle by Elizabeth C. Gorski

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186 Austria	6½	11/17/05	102.5000	6.3400
225 Austria	6⅞	06/20/05	104.6500	6.5700
235 Austria	7	02/14/00	108.0000	6.4800
Belgian Franc				
133 Belgium	6½	03/31/05	100.9900	6.4400
159 Belgium	7¼	12/22/00	111.2600	6.9700
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193 First Hydro Fin		07/31/21	101.3750	-
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8 Denmark	9	11/15/00	113.4900	7.9300
11 Denmark	9	11/15/98	110.1800	8.1700
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28 Denmark	8	05/15/03	109.1400	7.3300
31 Denmark	6	12/10/99	102.4100	5.8600
61 Denmark T-bills	zero	07/01/96	98.1587	4.2000
66 Denmark	7	11/10/24	91.5000	7.6500
77 Denmark	7	02/15/98	104.5500	6.7000
112 Denmark	zero	04/01/96	99.1569	4.1500
115 Denmark	9	11/15/96	103.5000	8.7000
196 Nykredit	6	10/01/26	85.0000	7.0600
199 Denmark	6¼	02/10/97	102.0800	6.1200
205 Nykredit Bank	7	10/01/26	91.3500	7.6600
Deutsche Mark				
1 Germany	6	01/05/06	101.1700	5.9300
2 Germany	6½	10/14/05	104.7740	6.2000
3 Germany	5¼	08/22/00	105.0300	5.4700
4 Germany	8	01/21/02	114.3980	6.9900
6 Germany	6⅞	05/12/05	107.3750	6.4000
10 Germany	5⅞	05/15/00	105.4820	5.5700
12 Germany	7⅜	01/03/05	110.7733	6.6600
14 Germany	6½	03/15/00	107.8020	6.0300
15 Germany	8¼	09/20/01	115.90	7.1200
17 Treuhand	7½	09/09/04	111.6550	6.7200
21 Germany	6⅝	01/20/98	105.8575	6.2600
22 Germany	8¾	08/20/01	118.2900	7.4000
23 Germany	7½	11/11/04	111.6733	6.7200
24 Germany	8	07/22/02	114.6625	6.9800
25 Germany	8⅞	12/20/00	117.8700	7.5300
26 Germany	9	10/20/00	118	7.6300
29 Germany	6¼	01/04/24	95.1886	6.5700
30 Treuhand	6⅞	06/11/03	107.9800	6.3700
32 Germany	8¼	07/21/97	106.9300	7.7200
33 Treuhand	6⅛	07/01/99	107.0800	5.9500
34 Treuhand	6⅛	05/13/04	106.8000	6.3200
35 Treuhand	7	11/25/99	109.5350	6.3900
36 Germany	7	01/13/00	109.5814	6.3900
38 Treuhand	7⅛	01/29/03	109.7600	6.4900
39 Treuhand	5	12/17/98	103.2271	4.8400
40 Treuhand	5	01/14/99	103.1500	4.8500
43 Germany	8	03/20/97	105.2100	7.6000
44 Germany	8¼	07/20/00	116.5200	7.5100
45 Germany	7	12/22/97	106.3800	6.5800
46 Treuhand	7⅜	12/02/02	111.1200	6.6400
48 Germany	8⅜	05/21/01	116.2633	7.2000
50 Germany	6¾	04/22/03	107.6075	6.2700
51 Treuhand	6¼	03/04/04	103.7100	6.0300
52 Treuhand	7¾	10/01/02	113.2225	6.8400
53 Treuhand	6⅝	07/09/03	106.4625	6.2200
54 Germany	8½	02/20/01	116.40	7.3000
55 Treuhand	6⅛	06/25/98	105.4800	5.8100
56 Germany	6⅞	12/02/98	107.9800	6.3700
57 Treuhand	5⅝	09/24/98	104.5400	5.3800
59 Germany	6	09/15/03	102.9917	5.8300
60 Germany	8	09/22/97	107.2500	7.4600
62 Germany	5¾	08/20/98	104.8560	5.4800
64 Germany	7¼	10/20/97	106.2975	6.8200
65 Germany	6½	07/15/03	105.8600	6.1400
67 Germany	8⅛	01/20/97	104.8800	7.9900
69 Germany	6¾	07/15/04	106.9040	6.3100
70 Germany	7⅛	12/20/02	109.9550	6.4800
71 Treuhand	6½	04/23/03	105.9000	6.1400
72 Germany	7¼	10/21/02	110.7520	6.5500
76 Germany	9	01/22/01	118.5200	7.5900
78 Germany	6⅜	05/20/97	103.8300	6.1400
79 Treuhand	5¾	04/29/99	105.1300	5.4700
81 Germany	6⅜	08/20/97	104.4200	6.1100
82 Germany	5¼	10/20/98	104.0283	5.0500
83 Germany	6	06/20/16	93.9700	6.3900
84 Treuhand	6⅛	03/26/98	105.1700	5.8200
86 Treuhand	6	11/12/03	102.5100	5.8500
88 Germany	6⅞	02/24/99	108.2450	6.3500
91 Germany	6	02/20/98	104.8000	5.7300
92 Credit Local	5.15	12/04/00	100.9380	5.1000
93 Germany	6¾	09/15/99	108.4800	6.2200
96 Germany	8½	09/20/96	103.3000	8.2300
97 Treuhand	6¼	07/29/99	106.7880	5.8500
100 Germany	6⅜	05/20/98	105.9100	6.0200
102 Germany	7¾	02/21/00	112.2017	6.9100
108 Germany	7½	10/20/97	106.7200	7.0300
109 Germany	8½	04/22/96	101.2100	8.4000
113 Germany	5¾	05/28/99	105.2000	5.4700
116 Germany	8½	03/20/96	100.7800	8.4300
123 Germany	7¼	01/20/00	110.3900	6.5700
124 Germany	6	03/20/97	102.9600	5.8300
125 Germany	8½	08/20/96	102.8800	8.2600
130 Germany	5¼	11/20/97	103.1400	5.0900
131 Germany	5¾	02/20/97	102.4900	5.6100
137 Austria	6½	01/10/24	96.5000	6.7400
138 Germany	6⅛	05/20/99	106.4600	5.7500
140 Germany	6⅛	03/20/98	105.1033	5.8300
146 Germany	8½	08/21/00	115.7200	7.3500
147 Germany	6⅜	01/20/98	105.3767	6.0500
152 Germany	8¾	05/22/00	116.3850	7.5200
156 Depfa Fin	5⅛	01/17/01	99.4711	5.1500
160 Germany	5⅜	02/22/99	104.1700	5.1600
161 Germany	7⅛	11/21/96	103.0500	6.9100
162 Germany	6⅛	07/21/97	103.8700	5.9000
169 KFW Int'l Fin	6¾	06/20/05	104.6500	6.4500
172 Germany	5¼	02/25/98	103.3975	5.0800
173 Rheinland Pfalz	6¼	01/18/06	100.6500	6.2100
176 Germany	6¼	02/20/98	105.1850	5.9400
181 Germany	6½	02/20/97	103.2850	6.2900
182 EIB	6⅛	11/06/02	103.9500	5.8900
185 Sweden	zero	06/11/96	98.0447	5.1000
192 Fannie Mae	6	08/23/00	104.8801	5.7200
200 FEK	5¼	01/16/01	100.8538	5.2100
201 BadWuert L Fin	6¾	06/22/05	104.5000	6.4600
202 Germany	7	10/20/99	109.1200	6.4100
211 Germany	8⅛	02/20/96	100.3700	8.5900
213 Germany	5½	05/20/97	102.6714	5.3600
232 Germany	6⅜	08/14/98	106.1900	6.0000
233 World Bank	5⅞	11/10/03	101.6300	5.7800
237 Stockholm	zero	07/05/96	97.8492	4.8100
240 Credit Local	5½	10/18/00	101.7000	5.4100
247 World Bank	7⅛	04/12/05	107.9500	6.6000
Dutch Guilder				
5 Netherlands	6	01/15/06	101.7500	5.9000
18 Netherlands	6¼	07/15/98	105.8500	5.9000
49 Netherlands	6¾	11/15/05	107.3000	6.2900
73 Netherlands	8½	03/15/01	116½	7.3000
85 Netherlands	7	03/15/99	108.5000	6.4500
95 Netherlands	8¾	09/15/01	118½	7.3800
101 Netherlands	9	05/15/00	117.20	7.6800
103 Netherlands	7	06/15/05	109.0900	6.4200
104 Netherlands	8¼	09/15/07	118.70	6.9500
106 Netherlands	5¾	01/15/04	101.3000	5.6800
111 Netherlands	7	02/15/03	109.8000	6.3800
114 Netherlands	7½	06/15/99	110.3500	6.8000
119 Netherlands	6½	07/15/98	106.3000	6.1100
121 Netherlands	7¾	03/01/05	114¼	6.7800
128 Netherlands	6½	04/15/03	106.8000	6.0900
129 Netherlands	6¾	02/15/99	107.7000	6.2700
149 Netherlands	8½	06/01/06	120.3000	7.0700
155 Netherlands	8¼	02/15/02	116.45	7.0800
157 Netherlands	7½	01/15/23	112¾	6.6500
167 Netherlands	7½	11/15/99	110.9500	6.7600
188 Netherlands	7¾	01/15/00	111.8500	6.9300
206 Netherlands	9	01/15/01	118½	7.5900
208 Netherlands	7	05/15/99	108.6500	6.4400
210 Netherlands	7¼	10/01/04	110.90	6.5400
219 Netherlands	8¼	02/15/07	118½	6.9600
223 Netherlands	7½	04/15/10	112.8000	6.6500
224 Netherlands	7¼	07/15/99	109.6500	6.6100
ECU				
58 France OAT	7½	04/25/05	105.5300	7.1100
68 France BTAN	5	03/16/99	99.3600	5.0300
74 France OAT	6	04/25/04	96.3513	6.2300
89 UK T-note	5¼	01/21/97	100.6250	5.2200
99 France BTAN	7¼	03/16/98	104.5400	6.9400
107 France OAT	6¾	04/25/02	102.8250	6.5600
110 France OAT	8¼	04/25/22	110.8000	7.4500
127 Credit Foncier	8⅜	03/17/04	98.7500	8.4800
139 France OAT	10	02/26/01	117.1000	8.5400
141 UK T-note	8	01/27/98	105.8750	7.5600
150 Britain	9⅛	02/21/01	113⅜	8.0100
158 France BTAN	7½	03/16/97	103.1400	7.2700
165 France OAT	9½	04/25/00	114.2825	8.3100
179 France OAT	8½	03/15/02	111.1500	7.6500
195 UK Tbills	zero	04/11/96	99.0410	4.2800
250 UK Tbills	zero	07/11/96	97.8900	4.5500
French Franc				
144 France BTAN	7	10/12/00	106.4900	6.5700
151 France BTAN	7	11/12/99	106.2800	6.5900
178 France OAT	6¾	10/25/04	103.9300	6.4900
191 France OAT	8½	11/25/02	114.5200	7.4200
194 France B.T.A.N.	5¼	03/12/98	102.2000	5.6300
212 France BTAN	8½	11/12/97	106.7300	7.9600
217 France OAT	6¾	10/25/03	104.2500	6.4700
218 France BTAN	4¾	04/12/99	99.3100	4.7800
231 France BTAN	7¾	04/12/00	109.0400	7.1100
236 France BTAN	7¼	08/12/97	104.2539	6.9500
245 France OAT	7½	04/25/05	108.6600	6.9000
Italian Lira				
168 Italy	11	11/01/02	100.2000	10.9780
Japanese Yen				
117 World Bank	4¾	12/20/04	113⅜	4.1900
143 World Bank	5¼	03/20/02	115½	4.5500
204 Exim Bk Japan	2⅝	07/28/05	97.5000	2.9500
216 Japan Dev Bk	5	10/01/99	112	4.4600
226 Italy	3½	06/20/01	104.3750	3.3500
227 World Bank	4½	03/20/03	110⅝	4.0600
229 World Bank	4½	06/20/00	111⅛	4.0500
244 Italy	3¾	06/08/05	101.8750	3.6800
Spanish Peseta				
105 Spain	11.30	01/15/02	109.6670	10.3000
132 Spain	10	02/28/05	103.7150	9.6400
142 Spain	10.10	02/28/01	103.5640	9.7500
170 Spain	7.40	07/30/99	95.9670	7.7100
183 Spain	10.15	01/31/06	104.8510	9.6800
189 Spain	12¼	03/25/00	111.2650	11.0100
215 Spain	9.90	10/31/98	102.7620	9.6300
Swedish Krona				
90 Sweden	11	01/21/99	109.4524	10.0500
134 Sweden	10¾	01/23/97	102.9945	10.4400
148 Sweden	6	02/09/05	87.0943	6.8900
177 Sweden	10¼	05/05/00	109.9128	9.3300
Swiss Franc				
198 Spain	zero	04/12/96	99.0180	4.3300
U.S. Dollar				
9 Brazil	4	04/15/14	67.4425	5.9300
19 Brazil par ZI	4¼	04/15/24	54.8751	7.7400
20 Argentina FRN	6 9/16	03/29/05	72.7500	9.3600
37 Brazil 930.0	6⅝	01/01/01	87.7500	7.2600
41 Brazil L	6 9/16	04/15/06	73.2500	9.3000
42 Argentina par L	5	03/31/23	57.6250	8.6800
47 Venezuela	6⅝	12/18/07	57.6300	11.3900
63 Venezuela par A	6¾	03/31/20	58.7500	11.4900
75 Mexico par A	6¼	12/31/19	66.5000	9.4000
80 Brazil S.ZI	6 9/16	04/15/24	64.8750	10.5000
87 Brazil S.L	6⅝	04/15/12	63.0000	10.9100
94 Mexico par B	6¼	12/31/19	66.5000	9.4000
98 Brazil S.L	6⅝	04/15/09	66.5000	10.3400
118 Argentina L	6 9/16	03/31/23	66.0000	9.9400
120 Brazil	4	04/15/14	59.7500	6.6900
122 Sweden	4½	03/24/99	97.6257	4.6100
126 Mexico D	6.5469	12/28/19	73.2500	8.9400
135 Finland	6¾	11/24/97	102.7500	6.5700
136 Mexico A	6.7656	12/31/19	73.2500	9.2400
145 Mexico B	6.7656	12/31/19	73.7500	9.1700
153 Mexico		11/27/96	101.4915	-
163 Bco Com Ext.	7¼	02/02/04	80.6250	8.9900
164 Italy A	6	01/10/01	100.5000	5.9700
166 Bulgaria	2	07/28/12	34.7830	5.7500
171 Ecuador	3	02/28/15	41.5017	7.2300
174 Argentina	3 5/16	04/01/01	100.0000	3.3125
175 Bulgaria	6¾	07/28/11	50.1218	13.4700
180 Bulgaria	6¾	07/28/24	54.6250	12.3600
184 Venezuela par B	6¾	03/31/20	58.7500	11.4900
187 Britain	7¼	12/09/02	108.2500	6.7000
190 Nigeria	6¼	11/15/20	51.7500	12.0800
197 Brazil	6	09/15/13	61.4376	9.7700
203 Gleneagles Fd	5.9602	12/15/02	100.0000	5.9600
207 BadWuert L Fin	6½	08/10/05	103.2500	6.3000
209 Venezuela S.A	6 9/16	03/18/07	58.5000	11.6500
220 Poland	3¾	10/27/14	67.8912	5.5200
221 KFW Int'l Fin	8¼	11/30/04	114¾	7.1900
222 Argentina	6 9/16	03/29/05	72.0795	9.4500
228 Mexico C	6.6094	12/31/19	73.2500	9.0200
230 ADB	6¼	10/24/05	102.8750	6.0800
234 Poland	6⅞	10/27/24	77.7500	8.8400
238 World Bank	7⅛	09/27/99	105.8750	6.7300
239 TMCC	6⅛	10/11/00	102.6250	5.9700
241 Argentina	8⅜	12/20/03	84.8750	9.8700
242 Fannie Mae	7.40	07/01/04	110¼	6.7100
243 Sweden	1	03/15/01	97.1639	1.0300
246 British Gas Fin	zero	11/04/21	15⅛	7.5900
248 Nat Australia Bk	zero	04/22/96	98.5779	5.6000
249 Sweden	5¾	02/08/01	99.7700	5.7600

Low Risk Propels Fringe Markets

By Carl Gewirtz
International Herald Tribune

PARIS — European bond markets are on a roll. With inflation subdued and growth so slowed as to possibly foreshadow an impending recession, money is pouring into Italy, Spain, Sweden, Denmark and even France. In those markets, income in the form of coupons is highest and the scope for capital gains is greatest, if interest rates and risk premiums continue to fall as expected.

It is the collapsing risk premium that makes these markets so alluring — and so potentially dangerous. The allure is that for every decline in the benchmark — interest rates in Germany — the fringe markets can outperform by matching the decline and narrowing the spread.

Thus, as yields on 10-year German government debt fell 1.35 percentage points, over the past nine months, yields on Italian paper were able to fall more than twice as much by 372 percentage points as the risk premium on Italian debt narrowed to 428 basis points from 665 basis points.

Over the same period, the spread on Spanish paper shrank to 347 basis points from 535 basis points; in Sweden it came down to 226 basis points from 419; in Denmark to 92 basis points from 184; and in France to 50 basis points from 83. Except for France, analysts see room for these spreads to continue to contract. But for how long and by how much depends entirely on Germany.

So long as the Bundesbank is perceived to be willing to cut interest rates, the rally will continue. The central bank lowered its money-market rate by 8 basis points last week, to 3.65 percent, and analysts expect further cuts over the next two months to take the rate to 3.25 percent.

It is when the cuts stop that trouble emerges. There is a financial crisis waiting to happen in Europe over the conflict between the commitment to cut government spending to meet the criteria for monetary union by the end of the decade and the need to increase growth to reduce unemployment.

So long as interest rates are falling, it is assumed that governments can meet both goals. But rates are certain to bottom out in Germany, where there is less economic slack, while the rest of Europe, particularly France, still needs lower rates. The conflict between apparently unachievable goals — the source of repeated crises in European foreign exchange markets since 1992 — will re-emerge and with it renewed increases in the risk premium on non-German European debt.

But that day of reckoning could be delayed if oil prices were to drop more than 10 percent and further cut inflation, thereby giving central banks more room than anticipated to reduce interest rates.

Oil analysts raised that hypothesis after the appointment of the former Soviet spy chief Yevgeni M. Primakov as Russia's foreign minister this month and the sudden move by Iraq to open talks with the United Nations on the sale of oil for food. Iraq, which has been under a total trade embargo since its August 1990 invasion of Kuwait, is allowed to export limited amounts of oil each quarter under UN control in return for food and medicine.

Noting that the United Nations has some scope in interpreting the restrictions on those sales, analysts expect Mr. Primakov, who sought in vain to negotiate with President Saddam Hussein to prevent the war that ousted Iraqi forces from Kuwait, to push for a liberal interpretation.

If the permitted liberalizations are fully exploited, the analysts say, a midyear surge in supply could drive the benchmark price to below $15 a barrel from the current $17.15 and keep it there until next winter's surge in demand.

Whichever scenario they are following, investors are clearly optimistic about the room for European interest rates to fall. Analysts attributed last week's 2.5 percent rise in the dollar to 1.4803 Deutsche marks to investors' selling marks to move into other higher-yielding European markets.

International demand for Deutsche mark bonds remains strong. Traders report the heavy demand for 10-year Euromark bonds is entirely institutional and non-German. Deutsche Bank AG, lead manager of the 1 billion DM ($677 million) global issue for Baden-Württembergische L-Finance, estimated that more than 40 percent was sold into Asia — mainly Japan — and more than 10 percent in the United States. Retail demand is concentrated in short-dated paper maturing before the targeted creation of a monetary union in 1999.

In any event, given the low cost of short-term money and the prospect of rising bond prices, underwriters are keen to hold unsold paper in inventory.

Bankers attributed the relative scarcity of new dollar issues to swap rates that are currently not attractive, meaning that issuers have to want to keep fixed-dollar liabilities. In the mark sector, by contrast, issuers are able to swap into floating-rate liabilities at rates substantially below the interbank rate.

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Banque Indosuez	$150	2001	0.15	99.865	—	Over 3-month Libor. Noncallable. Fees 0.175%. Denominations $10,000. (Barclays de Zoete Wedd.)
Christiania Bank	$150	1999	0.05	99.932	—	Over 3-month Libor. Noncallable. Fees 0.075%. Denominations $10,000. (Citibank.)
Dean Witter Discover	$300	2001	¼	99.742	—	Over 3-month Libor. Noncallable. Fees 0.25%. (Merrill Lynch Int'l.)
Goldman Sachs Group	$300	2001	0.35	99.90	—	Over 3-month Libor. Callable at par in 1998. Fees 0.30%. Denominations $10,000. (Goldman Sachs Int'l.)
Mulia Industrindo Finance	$125	1999	1¼	99⅝	—	Over 6-month Libor. Noncallable. Fees 0.75%. Denominations $100,000. (BankAmerica Asia)
Nationsbank Group	$160	2003	0.20	100.00	—	Over 3-month Libor. Noncallable. Fees 0.20%. (UBS.)
Spintab	$100	1998	libor	99.925	—	Interest will be the 3-month Libor. Noncallable. Fees 0.05%. Denominations $10,000. (PaineWebber Int'l.)
Bradford & Bingley Building Society	£200	2002	⅛	100.00	—	Over 3-month Libor. Callable at par from 2000. Fees 0.24%. Denominations £10,000. (UBS.)
Britannia Building Society	£150	2001	0.05	100.00	—	Over 3-month Libor. Callable at par from 2000. Fees 0.17%. Denominations £100,000. (Natwest Capital Markets.)
Fixed-Coupons						
Argentaria Capital Funding	$250	2006	6⅝	99.773	—	Noncallable. Fees 0.50%. (Salomon Brothers Int'l.)
General Electric Capital Corp.	$250	1998	5	101.015	99.85	Reoffered at 100.015. Noncallable. Fees 1¼%. (SBC Warburg.)
Sweden	$250	2001	5.85	101⅝	—	Reoffered at par. Callable at par from 1998. Fees 1⅞%. (Goldman Sachs Int'l.)
Baden-Wuerttembergische L-Finance	DM1,000	2006	6	101.64	99.71	Noncallable. Fees 2⅛%. (Deutsche Morgan Grenfell.)
Banque Française du Commerce Extérieur	DM500	1999	4¼	101.30	99.39	Reoffered at 99.575. Noncallable. Fees 1.95%. (Dresdner Bank.)
Banco BBA Creditanstalt	DM150	1999	8½	100.675	—	Reoffered at 99¼. Noncallable. Fees 1.80%. (Banque Paribas Capital Markets.)
BHF Finance	DM300	2004	6	101⅛	—	Noncallable. Fees 2⅛%. (BHF Bank.)
Commerzbank Overseas Finance	DM 500	2002	5¼	101.925	99.58	Noncallable. Fees 2⅛%. (Commerzbank.)
CS First Boston	DM200	2001	5⅛	101.645	—	Reoffered at 99.97. Noncallable. Fees 2%. (CS First Boston.)
Deutsche Bank Finance	DM1,000	2004	5¾	101.94	99.50	Noncallable. Fungible with outstanding issue, raising total amount to 2.5 billion marks. Fees 2⅛%. (Deutsche Morgan Grenfell.)
European Investment Bank	DM1,000	2001	4⅝	101.12	99.35	Reoffered at 99.745. Noncallable. Fees 1⅛%. (UBS.)
Greece	DM1,000	2003	6⅛	101½	99.40	Reoffered at 99¾. Noncallable. Fees 2⅛%. (Salomon Brothers Int'l.)
KommunInvest Isverige	DM225	2001	5	102.40	—	Noncallable. Fees 1⅝%. (DGZ Bank.)
Turkey	DM500	2001	7½	101.00	99.25	Reoffered at 99½. Noncallable. Fees 2½%. (Commerzbank.)
Vienna	DM500	2002	5⅛	102.22	99.80	Reoffered at 99.87. Noncallable. Fees 2⅛%. (Bayerische Vereinsbank.)
BAA	£250	2021	8½	101.165	—	Semiannually. Reoffered at 99.29. Noncallable. Fees 2½%. (Barclays de Zoete Wedd.)
Dixons Group Finance	£100	2001	7¾	101.334	—	Reoffered at 99.809. Noncallable. Fees 1⅞%. (Natwest Capital Markets.)
General Electric Capital Corp.	FF2,000	2005	6⅝	101.23	101.90	Noncallable. Fungible with outstanding issue, raising total amount to 4 billion francs. Fees 0.325%. (Banque Paribas Capital Markets.)
Abbey National Treasury Services	ITL300,000	2000	9.40	101.46	100.25	Noncallable. Fees 1⅝%. (Credito Italiano.)
Bank Austria	ITL200,000	1999	9.30	101.32	100.45	Noncallable. Fees 1⅝%. (Banca Nazionale del Lavoro.)
European Investment Bank	ITL550,000	2006	zero	39.554	39.75	Yield 9.719%. Noncallable. Proceeds 216 billion lire. Fees 0.50%. (Deutsche Morgan Grenfell.)
IMI Bank Int'l	ITL300,000	1999	9½	101.00	100.55	Noncallable. Fees 1⅝%. (IMI Bank.)
Telebras	ITL350,000	1999	13	100.00	101.80	Reoffered at 99¾. Noncallable. Fees 1¼%. (J.P. Morgan Securities.)
BNG Bank	DF250	2001	3	94.035	92.01	Reoffered at 92.41. Noncallable. Fees 1⅞%. (ING Barings.)
De NIB	DF200	2001	5	101.56	99.90	Reoffered at 99.96. Noncallable. Fees 1⅞%. (SBC Warburg.)
General Electric Capital Corp.	DF200	2000	2½	92⅝	90.88	Reoffered at 91. Noncallable. Fees 1⅞%. (ABN—AMRO Bank.)
ING Bank	DF500	2006	6¼	100.755	99.61	Reoffered at 99.18. Noncallable. Fees 1.575%. (ING Barings.)
Commerzbank Finance Overseas	ECU100	2005	6	101.779	99.78	Interest will be 6% until 2000, 7% until 2002, 8% thereafter. Noncallable. Fees 2%. (Kredietbank.)
Bayerische Landesbank	C$150	2001	6⅛	99.885	98.15	Reoffered at 98.26. Noncallable. Fees 1⅞%. (Toronto Dominion Bank.)
Deutsche Bank Finance	SAR600	1997	13½	101.15	—	Noncallable. Fees 1%. (Deutsche Bank.)
Equity-Linked						
Mars Engineering Company	$100	2000	2¼	100.00	—	Noncallable. Each $10,000 note with two warrants, exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Jan. 22. (Daiwa Europe.)
Mori Seiki Company	$150	2000	2½	100.00	—	Noncallable. Each $10,000 note with two warrants, exercisable into company's shares at 2,430 yen per share and at 106.50 yen per dollar. Fees 2⅛%. (Yamaichi Int'l.)
Takashimaya Int'l Finance	$240	2000	3½	100.00	—	Noncallable. Each $10,000 note with two warrants, exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Jan. 26. (Nomura Int'l.)
Hosokawa Micron Corp.	Y10,000	2000	zero	100.00	—	Private placement redeemable at par in 1999. Convertible at an expected 2½% premium. Fees not disclosed. Terms to be set Jan. 22. (Daiwa Securities.)

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THE WORLD'S DAILY NEWSPAPER

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Jan. 19	Jan. 12	% Ch'ge
DJ Indus.	5184.68	5,061.12	+ 2.44
DJ Util.	229.46	226.17	+ 1.45
DJ Trans.	1897.88	1,905.53	—0.40
S & P 100	584.31	574.93	+ 1.63
S & P 500	611.83	601.81	+ 1.66
S & P Ind	716.06	705.13	+ 1.55
NYSE Cp	327.86	322.95	+ 1.52
Britain			
FTSE 100	3,748.20	3,657.30	+ 2.49
Japan			
Nikkei 225	20,365.76	20,287.42	+ 0.39
Germany			
DAX	2,398.76	2,356.45	+ 1.80
Hong Kong			
Hang Seng	10,764.10	10,540.00	+ 2.13
World			
MSCIP	729.54	729.00	+ 0.07

World Index From Morgan Stanley Capital Int'l

Money Rates

United States	Jan. 19	Jan. 12
Discount rate	5¼	5¼
Prime rate	8½	8½
Federal funds rate	5⁹⁄₁₆	5⅝
Japan		
Discount	0.50	0.50
Call money	0.41	0.40
3-month interbank	0.56	0.47
Germany		
Lombard	5.00	5.00
Call money	3.48	3.70
3-month interbank	3.52	3.68
Britain		
Bank base rate	6½	6½
Call money	6⅛	6⅝
3-month interbank	6⅛	6 7/16

Gold	Jan. 19	Jan. 12	% Ch'ge
London p.m. fix.	399.10	399.60	—0.13

Euromarts

Eurobond Yields

	Jan. 19	Jan. 12	Yr high	Yr low
U.S. $, long term	6.33	6.37	6.37	6.33
U.S. $, mdm term	5.75	5.81	5.87	5.75
U.S. $, short term	5.41	5.42	5.53	5.41
Pounds sterling	7.17	7.30	7.39	7.17
French francs	6.15	6.27	6.38	6.15
Italian lire	9.72	9.89	10.45	9.72
Danish kroner	5.95	6.00	6.11	5.95
Swedish kronor	7.91	7.95	8.55	7.90
ECUs, long term	6.88	6.98	7.06	6.88
ECUs, mdm term	5.91	6.10	6.23	5.91
Can. $	6.84	6.88	7.06	6.88
Aus. $	8.09	8.05	8.13	8.01
N.Z. $	7.17	7.10	7.20	7.04
Yen	2.47	2.49	2.50	2.28

Source: Luxembourg stock exchange.

Weekly Sales

Jan. 18

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	4.2	690.5	87.0	295.6
Convert.	—	—	—	—
FRNs	223.1	117.6	—	340.3
ECP	13,299.4	6,602.0	12,786.9	6,286.9
Total	13,526.7	7,410.1	12,873.9	6,922.8

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	12,475.9	18,980.1	48,041.7	26,764.1
Convert.	737.2	653.6	2,385.2	1,143.3
FRNs	9,262.5	3,389.1	43,798.6	5,301.0
ECP	9,320.6	14,189.4	16,328.9	28,354.0
Total	31,796.2	37,212.2	110,504.4	61,562.4

Source: Euroclear, Cedel Bank.

Libor Rates

Jan. 19

	1-month	3-month	6-month
U.S. $	5½	5⁹⁄₁₆	5 7/16
Deutsche mark	3⅜	3½	3 7/16
Pound sterling	6¼	6 5/16	6¼
French franc	4½	4 7/16	4 7/16
ECU	4 9/16	4 9/16	4½
Yen	½	⅝	⅝

Sources: Lloyds Bank, Reuters.

CYBERSCAPE

Computers Spawn Plenty of New Jobs

By Bill Gates
New York Times Service

Q: I am 14 years old, female and studying Information Systems at school. In four years, when I finish my education, what are the probable career opportunities in computing given the rapid changes that are taking place?

A: There will be a wealth of opportunities relating to software. For example, supporting all the people who use software will be a huge business and career opportunity.

The chairman of Microsoft answers questions about computing.

Software companies hire support engineers, and many companies devote personnel to helping their own employees. Beyond supporting individuals, some people build great careers out of helping companies figure out how to best use information systems. These opportunities will only grow. Fortunately, at age 14, you don't really need to pick one computer-related opportunity over another. I didn't choose a career until I fell into it.

Q: I am 16 years old and want to be a programmer. What is the best programming language to learn?

A: Without a doubt, the first programming language to learn is Basic. It is straightforward, relatively simple and has evolved to support modern elements such as visual interfaces. Learning Basic demystifies computing.

Q: Do you see PC technical support becoming an obsolete field? I envision PCs diagnosing and fixing themselves.

A: Technical support is about as safe a career bet as you can make. A few decades ago when automobiles started getting much more reliable, someone might have asked, "Are we still going to need auto mechanics?" We do, of course. Similarly, PC tech support will always be important.

Q: I just bought a 28.8 kilobyte-per-second modem. Should I start saving my money for a faster modem, when developed?

A: Probably the fastest conventional telephone dial-up modem you'll ever have is 28.8. Within a few years you are likely to graduate to an Integrated Services Digital Network, or ISDN connection, probably offered by a telephone company or a cable connection offered by a cable-TV company. These will provide much greater data speeds than can be achieved through a conventional telephone line.

(Questions may be sent to Bill Gates by electronic mail at askbill@microsoft.com.)

Internet address: CyberScape@iht-lib.demon.co.uk

No-Shows Mar Talks on Euro

By Tom Buerkle
International Herald Tribune

BRUSSELS — The European Union's campaign to sell the Euro — its proposed common monetary unit — appeared Sunday to be in as much trouble on the eve of its launch as the single-currency project itself.

A three-day round table of political and business leaders opening here Monday that was intended to raise awareness of the Euro and accelerate preparations for its introduction was tarnished by the late cancellation of several prominent participants.

The no-shows included Helmut Schmidt, the former German chancellor who laid the groundwork for monetary union by founding Europe's currency grid; Karl-Otto Pöhl, a former president of the Bundesbank, and Cees Maas, a Dutch banker who has led private-sector support for a single currency.

A spokesman for the European Commission, which is organizing the event, said the three had cited conflicting engagements.

More telling, perhaps, is the absence of Theo Waigel, the German finance minister. Mr. Waigel will skip the round table and a meeting of EU finance ministers in Brussels to attend a meeting in Bonn that is aimed at clearing up confusion over the single currency within his Christian Social Union party, German officials said.

Mr. Waigel, who has stressed his commitment to a single currency, while pushing his EU partners for tough new budget discipline, has been dismayed by the blunt Euro skepticism of fellow CSU leader Edmund Stoiber, premier of the state of Bavaria. Mr. Stoiber recently called for a delay in the 1999 single-currency start date, saying the project had been poorly prepared.

The EU hopes to 'make people love' the proposed currency.

Many EU officials fear that those divisions, as well as the sharp economic downturn that has made the 1999 seem increasingly unrealistic, may drown out the optimistic message the round table was intended to give.

"I hope the round table does not produce too much uncertainty about the business cycle, but instead adds to confidence that, at least technically, the introduction of the Euro is doable," one EU official said.

Despite the doubts, various EU and national officials insist that any talk of delay is premature before 1998, when EU leaders are to decide which countries meet the single-currency criteria. An early delay could kill the project for good and remove pressure on governments to reduce budget deficits and pursue tough social-security reforms, they say.

"There is nothing to anticipate at the moment," said Yves-Thibault de Silguy, the EU commissioner who is leading the campaign for the Euro. In the meantime, he said the commission would endeavor to "make people love the Euro."

So far, the Brussels agency is working on its own. Governments are responsible for selling the Euro to their own people, but only Germany and Austria have come up with plans to do so. Perhaps reflecting the unwillingness of most Germans to part with the Deutsche mark, Bonn has budgeted 30 million DM ($20.3 million) over three years for its campaign.

Fokker Prepares For Worst Scenario As Daimler Meets

By John Schmid
International Herald Tribune

FRANKFURT — Fokker NV is likely to seek protection from its creditors if Daimler-Benz AG sticks to its vow Monday to cease subsidies to the unprofitable Dutch aircraft maker.

"I continue to believe in miracles, but I'm a realist," Chairman Ben van Schaik told Dutch television Saturday. "I think that says enough. With the harbor in sight, a hole is being shot in our hull, and now it's all over."

Mr. van Schaik spoke after nine months of negotiations between Daimler and the Dutch government ended late Friday. According to the Dutch, the German conglomerate demanded that the Dutch government pay at least 1.3 billion guilders ($784.6 million) as its share to keep Fokker afloat and to absorb 800 million guilders in outstanding loans.

Daimler, which is reeling from losses in its German-based operations, has pumped 3 billion Deutsche marks ($2.03 billion) in subsidies into Fokker since 1994. Daimler owns 78 percent of Fokker Holding BV, which holds 51 percent of Fokker NV. The Dutch government owns the other 22 percent of Fokker Holding.

Fokker's financial problems reflect competition for regional jets and the guilder's strength in an industry where prices are set in dollars.

The most likely scenario for Fokker, according to analysts, would be to resort to a provision in Dutch law that is similar to Chapter 11 of the U.S. bankruptcy code. Protected from its creditors, Fokker theoretically could continue to operate while administrators reorganized it. Its order book in 1995 rose to 63 firm orders for its 70- and 100-seat jets, up from 50 a year earlier.

The most pressing question would be how quickly — or if — the Dutch government would step in. Fokker could face difficulties if Daimler pulled out and left unclear who would pay suppliers, analysts said.

Observers, however, said it was unclear what form the company could take if Daimler discontinued the bridge loans. Over the weekend, Dutch politicians argued that some portions of Fokker could survive a reorganization as independent and profitable units. Those would include the defense and space operations.

In any event, analysts said, Fokker shares were likely to be suspended from trading Monday.

Analysts said Daimler had a vital interest in keeping alive Fokker's aircraft service subsidiaries to ensure that planes already on the market remained in operation. Because nearly all were sold under lease agreements, leaving Daimler as the owner of the aircraft, the German company needs to preserve the service operations to minimize its risk and preserve the value of the aircraft.

Daimler's supervisory board is to meet in Stuttgart on Monday to decide whether the company will continue to divert to Fokker profits from its Mercedes-Benz AG and profitable aerospace operations.

Analysts said the odds were against Fokker. Jürgen Schrempp, the Daimler chairman, has staked his reputation as a hard-nosed turnaround artist on his promise to use drastic means if necessary.

An end to funding is likely to bury Daimler's strategy of building a "mini-Airbus" consortium of European partners around Fokker to create state-of-the-art regional aircraft smaller than those offered by the Airbus Industrie consortium, of which Daimler is a member. Daimler had wanted to use its controlling stake to pilot the venture. But the partners never materialized.

The market, meanwhile, changed radically. At the time of the acquisition, Fokker's flagship F-100 jet sold with a small profit for 28 million DM. Last summer, as Fokker posted record losses, competition had forced the price to 23 million DM. By December, Fokker's competitors were offering similar 100-seaters for as little as 18 million DM.

China Is Still Pirating, U.S. Says

By James Gerstenzang
Los Angeles Times

WASHINGTON — The White House is again considering massive trade sanctions against Chinese exports to the United States to retaliate for China's failure to shut its burgeoning business in pirated compact disks, movies, computer software and other products protected by U.S. patents and copyrights.

Nearly a year after China agreed to close factories turning out pirated goods and punish those involved in the lucrative business, 28 or 29 plants are still flourishing, U.S. officials say. Only one has been shuttered and operations at five others have been suspended, they add.

With no sign of progress in sporadic talks with Chinese officials, U.S. trade officials have made clear recently that they are ready to return to the intense showdown that brought the two countries to the brink of trade sanctions in February, when the United States was about to impose tariffs of $1 billion on Chinese goods sold here.

The $1 billion figure was arrived at a year ago by calculating the loss to U.S. companies, entertainers and workers when their products were copied in Chinese factories that paid no royalties.

Officials said the figure would be higher the next time around, if sanctions were required. They added that the United States would block China's entry into the World Trade Organization, the international body governing global commerce, which Beijing is eager to join.

"It certainly would not be unfair to come to the conclusion the calculations would be larger if we had to go to sanctions a year after the agreement," said Mickey Kantor, the U.S. trade representative. He said the earlier threatened sanctions figure did not include the value of royalties and profits denied to Americans by Chinese sales of unlicensed goods in third countries.

Mr. Kantor also said the sanctions would cover an expanded list of products. Those sanctions considered last year would have taken the form of 100 percent tariffs — taxes on imports — on $1 billion worth of Chinese goods.

The U.S. trade deficit with China is expected to be a record $35 billion when 1995's final figures are available.

Lava Lamps Keep Firm Floating

By Miranda Haines
Special to the Herald Tribune

SMALL BUSINESS

LONDON — Imagine taking the lava lamp, that colorful cult item that screams 1970s kitsch, and transforming it into a popular art object for the 1990s.

That is the gamble a pair of antiques dealers embarked on five years ago, when they launched their small business, Mathmos.

Like most fashionable items past their prime, lava lamps became the epitome of bad taste in the 1980s, a decade that tilted toward matte black. That decline held a perverse attraction for Cressida Granger and David Mulley, who have helped make lava lamps the epitome of retro-hip today, joining the resurgent Beatles, inflatable furniture and flare-bottom jeans.

You can catch the lamps while nightclubbing at the Lava Lounge in London (in the Float Upstream Room) or when out shopping for clothes, jewelry or even snowboards.

Inside a glass bottle held by an aluminum stand, colorful wax blobs rise as they are heated by a bulb below, only to sink lazily to the bottom for more of the same once they cool at the top.

The appeal of the lamp is simple: "It's like a goldfish or open fire — mesmerizing," said Ms. Granger in Mathmos's new showroom in London's theater district. The shop, which doubles as an office is an expensive step up from the antique stalls of Camden market, where the pair began selling the lamps six years ago.

The original lava lamp was adapted from an unreliable egg timer invented in 1963 by Edward Craven-Walker. When the wax rose to the top of the container, your egg was ready.

While he may not have been much of an egg-timer inventor, Mr. Craven-Walker does seem to have had a lock on lava-lamp manufacturing technology. Ms. Granger and Mr. Mulley found the lamps hard to make, so they wrote to Mr. Craven-Walker, who invited them to his factory in Poole. The English factory was intact but unprofitable, with a staff of three making about 1,200 lamps a year at the end of the 1980s.

Ms. Granger and Mr. Mulley set about marketing and selling the product to retailers across Britain, and within five years they had bought the business, hired 45 more employees and increased production to 10,000 lamps a month.

In its first year, 1990, Mathmos sold 20,000 lamps in Britain. Now the company sells 50,000 lamps a year in Britain and another 50,000 in Germany. Mathmos expects sales for 1995 to be £5 million ($7.6 million), up from £3 million in 1994.

"Most people were laughing in the aisles when we did our first trade fair in 1990," Ms. Granger said.

But a few customers ignored the prejudice. One early buyer was the Gadget Shop, a retailer that has grown with the success of the lamps. From its initial order of 12, Gadget has become Mathmos's biggest client.

"The lamps are one of our evergreen products — meaning they keep on selling," said Boxer Singh, a Gadget regional manager. "But we can't get enough of them."

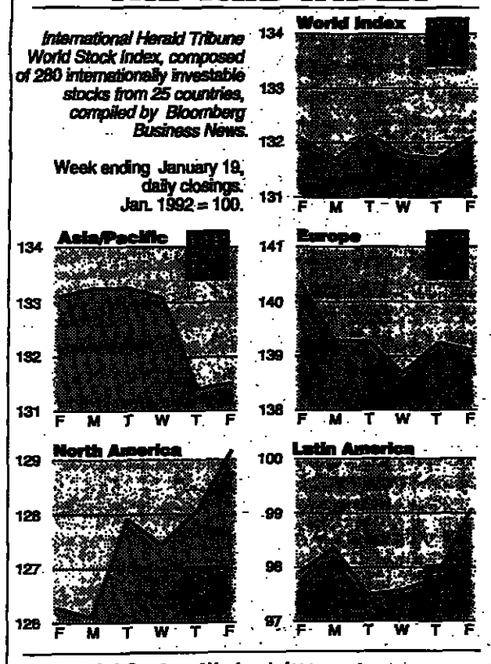
Ms. Granger acknowledged that Mathmos has struggled at times to meet demand. The company hired 15 people in the past year to either hand-spin the aluminum that holds the glass containers or assemble the electronic components.

See LAVA, Page 13

THE TRIB INDEX

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News.

Week ending January 19, daily closings. Jan. 1992 = 100.



Industrial Sectors/Weekend close

	1/19/96 close	1/12/96 close	% change		1/19/96 close	1/12/96 close	% change
Energy	135.06	135.70	−0.47	Capital Goods	135.17	130.50	+3.58
Utilities	131.22	130.98	+0.18	Raw Materials	142.98	144.36	−0.97
Finance	124.85	126.94	−1.65	Consumer Goods	136.06	136.93	+0.83
Services	122.49	122.97	−0.39	Miscellaneous	139.61	139.47	+0.10

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. *For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.*

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CURRENCY RATES

Cross Rates Jan. 19

	$	£	DM	FF	Lire	DFl	BF	SF	Yen	C$	Peseta
Amsterdam	1.657	2.581	1.7199	0.2282	0.1045*	—	5.449*	1.3825	1.522*	1.583	1.2295*
Brussels	30.26	46.83	28.55	6.913	1.9169*	18.35	—	25.075	4.2881	22.17	24.36*
Frankfurt	1.4772	2.2363	—	0.2516	0.0728*	0.893	4.8663*	1.2365	1.4511*	1.3856	1.1858*
London (c)	1.5707	—	2.2344	7.6274	2.2953*	2.9811	45.344	1.8824	193.24	2.0622	900.89
Madrid	124.464	188.513	84.364	24.480	7.858*	75.328	4.1658	104.565	118.867*	91.283	—
Milan	1,593.10	2,394.80	1,071.75	313.70	—	954.58	53.89	1,338.08	15.08	1,338.96	12.69
New York (b)	—	1.5109*	1.4800	5.0535	1,593.00	1.6915	38.46	1.1925	165.325	1.3662	734.00
Paris	5.0425	7.5775	3.4735	—	0.3154*	3.0558	0.1468	4.2264	4.7842*	3.4982	4.8525*
Tokyo	105.39	168.14	71.70	21.81	6.67	64.01	3.4098	88.80	—	77.55	0.8515
Toronto	1.3657	2.0651	0.9218	0.2791	0.0852*	0.8224	0.0437*	1.1465	1.2894*	—	1.086*
Zurich	1.193	1.7998	0.8669	0.2582	0.0753*	0.7203	0.0344*	—	1.132*	0.8746	0.9575*
1 ECU	1.2807	0.8458	1.1897	0.458	2.0284	2.1167	28.833	1.5344	134.986	1.2482	150.258
1 SDR	1.4851	0.9658	2.1396	7.3705	N.A.	2.4558	44.3241	1.3438	154.44	1.9691	169.927

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*c: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9993	Greek drac.	240.96	Mex. peso	7.465	S. Afr. rand	3.6464
Australian $	1.3885	Hong Kong $	7.728	N. Zealand $	1.5874	S. Kor. won	789.89
Austrian sch.	10.376	Hung. forint	142.36	Norw. krone	6.435	Swed. krona	6.6986
Brazil real	0.972	Indian rupee	35.84	Phil. peso	26.19	Taiwan $	27.40
Chinese yuan	8.2919	Indo. rupiah	2293.58	Polish zloty	2.51	Thai baht	25.26
Czech koruna	27.11	Irish £	0.6371	Port. escudo	151.91	Turkish lira	60466.5
Danish krone	5.704	Israeli shek.	3.1377	Russ. ruble	4683.	UAE dirham	3.6710
Egypt. pound	3.3915	Kuw. dinar	0.2998	Saudi riyal	3.7495	Venez. bolív.	370.08
Fin. markka	4.4643	Malay. ring.	2.5523	Sing. $	1.4192		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5139	1.5119	1.5111	Japanese yen	104.84	104.38	103.92
Canadian dollar	1.3632	1.3633	1.3633	Swiss franc	1.1866	1.1829	1.1792
Deutsche mark	1.4726	1.4701	1.4678				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commercial Italiano (Milan); Agence France-Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

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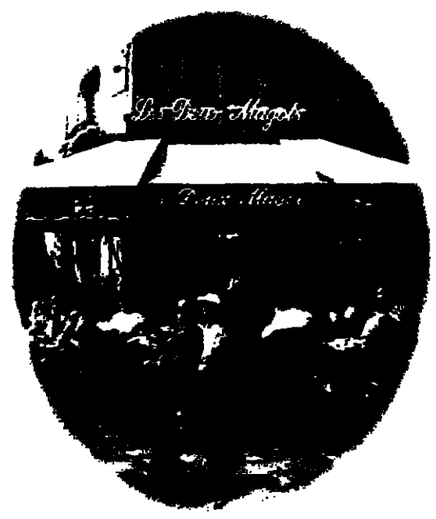
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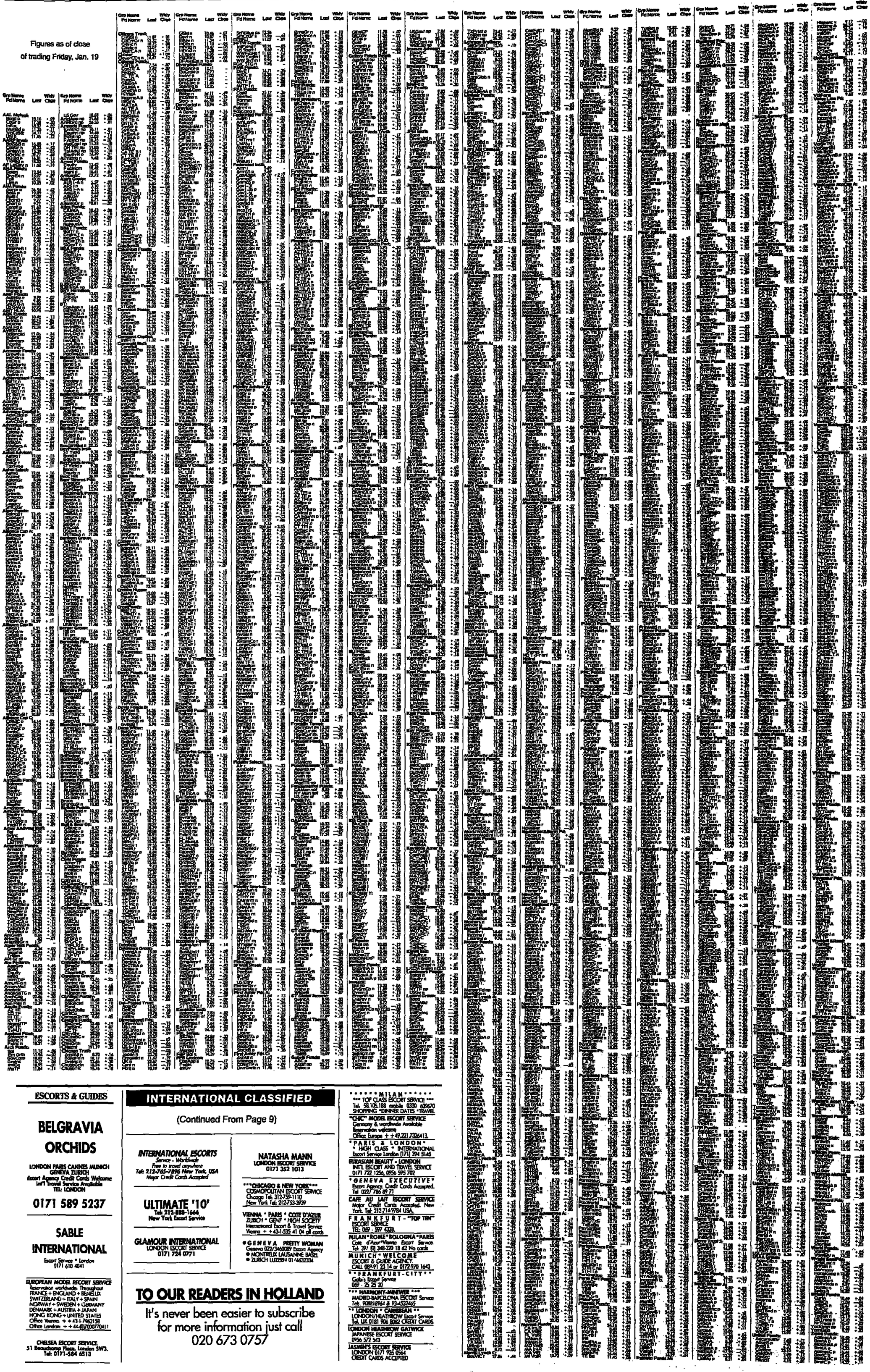
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SEC Ruling Jeopardizes Success of Bid by First Bank

By Saul Hansell
New York Times Service

NEW YORK — The $10 billion bid by First Bank System Inc. to buy First Interstate Bancorp. has been dealt a possibly fatal blow by the Securities and Exchange Commission, which has ruled that First Bank cannot buy back its own stock for two years.

First Bank had been counting on buying back 73 million shares — worth $3.5 billion at current prices — over the next three years to make the acquisition attractive to its shareholders. Since a stock buyback eliminates shares, it increases the earnings per share outstanding.

The SEC ruling also aided a rival, Wells Fargo & Co. of San Francisco, which has made a hostile attempt to win First Interstate for itself. If completed by either side, the merger would rival the merger of Chase Manhattan Corp. and Chemical Banking Corp. as the biggest in U.S. banking history.

The Wells Fargo bid has been gaining momentum in recent weeks because its stock has outpaced that of First Bank, and the gap increased sharply on Friday after the accounting ruling was disclosed.

Wells Fargo stock jumped $6.25, to close at $217.25, while First Bank's stock closed unchanged at $48.50 in trading on the New York Stock Exchange.

Both companies have offered to buy First Interstate through an exchange of stock. At Friday's prices, Wells Fargo was offering $144.69 of its stock for every First Interstate share. First Bank's bid is worth $126.10 a share.

Stock traders appear to believe that the Wells Fargo bid will win because First Interstate shares closed Friday at $138.875, up $3.325, far closer to the Wells Fargo price than to the First Bank bid.

"This means the First Bank deal is not going to happen," said David Berry, research director at the brokerage Keefe Bruyette & Woods. "Both they and Wells predicated their deals on massive cost takeouts and massive share repurchases. Now First Bank can't buy its stock for two years."

Mr. Berry said he estimated that First Bank's share buyback plan accounted for a third to half of the estimated benefit from the transaction.

Richard Zona, First Bank's chief financial officer, said its deal would still increase its earnings per share by 13 percent in 1997, a far greater gain than in most bank acquisitions.

Moreover, he said, the bank would take the capital it would have used for share repurchases and make other investments that would increase the bank's returns. Nonetheless, he called the ruling Friday, "a mistake by the SEC."

Wells Fargo's plan to buy back stock was not affected by the SEC ruling because it had chosen a different accounting treatment.

Merger experts said that the $18.59-a-share gap between the value of the two bids, along with the accounting ruling, increased the pressure on First Interstate's board to rethink the deal with First Bank, and possibly to find a way to sell itself to Wells Fargo instead. "I don't know how they could go to their shareholders and ask them to vote for this at this point," one top merger negotiator said.

Economic Outlook
A Bonus for Bonds

Compiled by Our Staff From Dispatches

NEW YORK — Bond prices are likely to rise this week, buoyed by expected news of subdued inflation and by remarks about moderate economic growth from Federal Reserve Board and Treasury officials, analysts said.

"The picture is still encouraging for bonds," said Thomas Donne of Banc One Investment Advisors.

U.S. CREDIT MARKET

The benchmark 30-year Treasury bond ended at a yield of 5.97 percent on Friday, down from 6.14 percent a week ago. It was the best week for bonds since the start of December.

Investors got their first fix of official economic reports in a month last week as the government resumed its flow of statistics, which was halted by the 21-day partial government shutdown.

The latest sign of slow growth came Friday, when the Labor Department said the economy created 151,000 jobs during December, well below the month average of 294,000 during 1994. But the number was considered to be inflated by the return to work of about 30,000 striking employees at Boeing Co.

"It's not a robust number," said Evelina Tainer, chief economist at Indosuez Carr Futures Inc.

The report suggested that Federal Reserve Board policymakers were "going to have room to ease" interest rates at their next meeting on Jan. 30 and 31, she said.

The so-called Tan Book study that will be used as a blueprint for discussion at that meeting was released Thursday, giving investors another reason to be sanguine about the outlook for bonds.

"It was more of the same, showing no inflation and moderate growth," said John Burgess, a manager at Bankers Trust Global Investment Management in New York.

Bond prices also got a boost last week amid growing expectations that the budget impasse in Washington would not cloud the outlook for lower rates.

"The thinking was that a budget package would give stimulus to the economy up front with tax cuts and slow the economy later with spending cuts," said Robert Fernald, a manager at Society Asset Management. "Now, the thought is, if you don't get a budget deal, you don't get that stimulative tax cut up front, therefore the economy could keep slowing down and the Fed will have to come in again and cut rates."

But some traders said that most of the economic indicators due out next week would be old and therefore would not be reliable enough to give an accurate diagnosis of the health of the economy, analysts said. For example, personal income and consumption due out Tuesday will be from October and November. On Wednesday the government reports on sales of new homes during November.

One indicator that could give the market some direction is the December industrial production report, which is scheduled for release on Wednesday. Analysts expect to see an increase in factory output.

But industrial production alone will not be enough to send Treasury yields down, analysts said.

The market will also be looking at scheduled statements by Lawrence H. Summers, the deputy Treasury secretary, and William McDonough, New York Federal Reserve Bank president, and Robert Parry, president of the San Francisco Federal Reserve Bank.

"The economy is still decelerating, and inflation will continue to be well contained," said Paul DeNoon of Alliance Capital Management.

But while the market's bullish bias will continue to buttress prices, players are becoming wary that the rally last week may have been overdone.

"I think for next week, we'll start out strong, but I think the market's due for a downward correction," said Mike Landreville of Lutheran Brotherhood.

Treasury prices have been a little too lofty and some events, such as the new supply on the front end, could trigger a wave of selling, he said.

(Bloomberg, Knight-Ridder)

The Week Ahead: World Economic Calendar, Jan. 22-26

A schedule of the week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**New Delhi:** "India Power 96 — Beyond Dabhol," conference and exposition opens, organized by the Independent Power Producers Association of India . Until Jan. 25. **Singapore:** Trade Development Board scheduled to report December trade figures.	**Frankfurt:** Four largest Western German states report consumer price growth to mid-January before preliminary estimate for Western Germany; M3 money supply growth in December. **Madrid:** November current account is released.	**Washington:** Supreme Court in recess. Jan. 23 to Feb. 18. **Whistler, British Columbia:** International Council of Shopping Centers holds its conference at Chateau Whistler Resort Jan. 24 to Jan. 26. **Earnings expected:** Amerada Hess Corp., BBN Corp., Chevron.
Monday Jan. 22	**Hong Kong:** Perfectech International Holdings and Shun Shing Holdings report earnings; Great China Holdings Ltd. holds shareholders' meeting. **Sydney:** November housing finance figures.	**Frankfurt:** Hans Tietmeyer, Bundesbank president, speaks on currency policy. **London:** Fourth-quarter gross domestic product preliminary figures. **Madrid:** November producer prices. **Paris:** December consumer prices.	**Los Angeles and San Francisco:** Federal Reserve Board holds simultaneous hearings on Wells Fargo & Co.'s proposed acquisition of First Interstate Bancorp. **Washington:** Weekly report on planting progress for seven crops.
Tuesday Jan. 23	**Bangkok:** First City Investment PLC holds shareholders' meeting to discuss bid for banking license. **Manila:** Treasury sells 3 billion pesos of seven-year bonds **Singapore:** December consumer price index.	**Frankfurt:** Bundesbank calls for bids on new tranche of German government's 6 percent 10-year bond. **London:** M4 estimates for December; Confederation of British Industry releases industrial trends survey for January.	**New York:** Johnson Redbook's weekly survey of total sales at more than 20 U.S. stores. **Washington:** President Bill Clinton gives State of the Union address; personal income and spending for October and November.
Wednesday Jan. 24	**Sydney:** Consumer price index figures for the fourth quarter of 1995; Westpac Melbourne Institute releases November leading index. **Tokyo:** 1995 and December trade balance figures.	**Frankfurt:** Bundesbank announces results of auction of new tranche of German government's 6 percent 10-year bond. **London:** December balance of trade with countries outside the EC. **Madrid:** November industry output.	**Ottawa:** November wholesale trade report. **Washington:** The Mortgage Bankers Association of America releases its weekly report on mortgage applications; U.S. petroleum stocks, production and imports.
Thursday Jan. 25	**Sydney:** December new motor vehicle registration figures. **Taipei:** Taiwan's central bank releases 1995 money supply growth. **Wellington:** Gross domestic product figures for the third quarter of 1995	**Copenhagen:** December unemployment; December wholesale prices. **London:** New vehicle registrations for December. **Paris:** December household consumption. **Rome:** December hourly wages.	**Washington:** Initial weekly state unemployment compensation insurance claims; Federal Reserve reports weekly money supply. **Earnings expected:** Coca-Cola Corp., Cray Research Inc., Delta Air Lines Inc., Dow Chemical Co.
Friday Jan. 26	**Tokyo:** Management and Coordination Agency releases January consumer price index for the Tokyo area; nationwide 1995 and December CPI; Economic Planning Agency releases November household spending survey.	**Madrid:** Banco Santander announces 1995 full-year earnings. **Paris:** November visible trade balance; November industrial output. **Voorburg, Netherlands:** December producer confidence and industrial orders.	**Ottawa:** December industrial product and raw material price reports. **Washington:** Temporary spending authority for many federal agencies due to expire; weekly report on U.S. commercial and industrial loans.

SHORT COVER

Alitalia Unions Meet Under Threat

ROME (Combined Dispatches) — Trade unions at Alitalia are to meet Monday after an ultimatum from the owners of the Italian state airline that management and unions must make peace or face a savage restructuring.

The government turned down a request from the state holding company Istituto per la Recostruzione Industriale that it intervene in the labor dispute.

Talks between management and unions collapsed Thursday, leading IRI to say that it was not proceeding with a planned 1.5 trillion lire ($947.5 million) recapitalization of the debt-laden carrier. *(Reuters, Bloomberg)*

Japanese Bank Selling Brokerage?

TOKYO (AFP) — Long-Term Credit Bank of Japan is negotiating with several U.S. institutions to sell its brokerage unit, Greenwich Capital Markets Inc., reports said Sunday.

The move is to secure funds to cover bad loans, Japanese reports said. The bank purchased the Connecticut brokerage in 1988 for about $140 million.

Steaming Coal Demand Set to Rise

SYDNEY (Reuters) — Demand for internationally traded steaming coal will rise to 395 million tons by 2005, a 70 percent increase over 1995, according to a study of the global coal trade by Australian Mineral Economics Pty.

Australia, the major beneficiary of such an increase, will expand production and shipments more than any other producing country, the study said.

Lithuanian Interior Minister Quits

VILNIUS, Lithuania (Knight-Ridder) — Romasis Vaitiakunas, the country's interior minister, has officially resigned, the Interfax news agency reported.

Prime Minister Adolfas Slezevicius notified President Algirdas Brazauskas of the resignation, the agency said.

On Tuesday, Mr. Vaitiakunas had promised the president he would step down but backtracked Wednesday. His resignation Friday follows outcry over a banking crisis in the country.

LAVA: *Lamps Fire Up Company*

Continued from Page 11

A principal complaint from customers is that after a year's use the liquid in the lamp becomes cloudy and the effect is lessened. Ms. Granger's response is that nothing lasts forever and another liquid container can be purchased for half the price of a complete lamp.

But Jim McLaughlin, a business-development analyst, said that small, niche businesses like Mathmos often fail after seven years, because to lack of vision.

"This is very imaginative of them," he said of Mathmos's resurrection of the lava lamp, "but anything unusual has a limited life cycle. I would suggest that they modulate their vision. Are there any lava tables? Kids toys?"

But Ms. Granger argues that the lava lamp has moved from being a cult item to being a classic item.

"Each year I have waited for our U.K. market to bottom out as most fads do," she said. "But all we do is double sales year on year."

Mathmos is counting on that popularity and the diversification of the lava lamp to carry it into the next decade.

The company has modulated the original lava lamp, with a waist in the tube and priced at £39.95, into such forms as the rocket-shaped Telstar, the jumbo-rocket-shaped Lunar and the plain-cylinder Jet.

Mathmos has also developed a new range of lamps, including such technically advanced light displays as the Faze 2 interactive color-changing lamp, which is controlled by a microchip.

BusinessWeek

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Consolidated trading for week ended Friday, Jan. 19

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NASDAQ NATIONAL MARKET

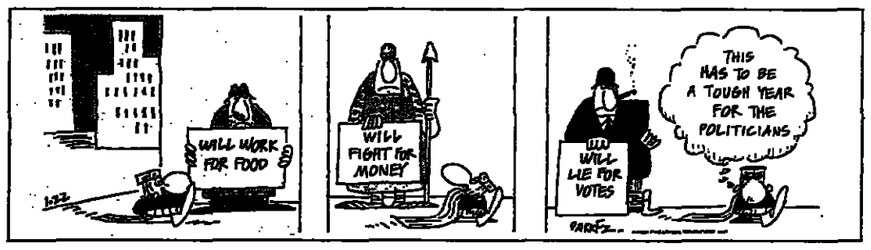
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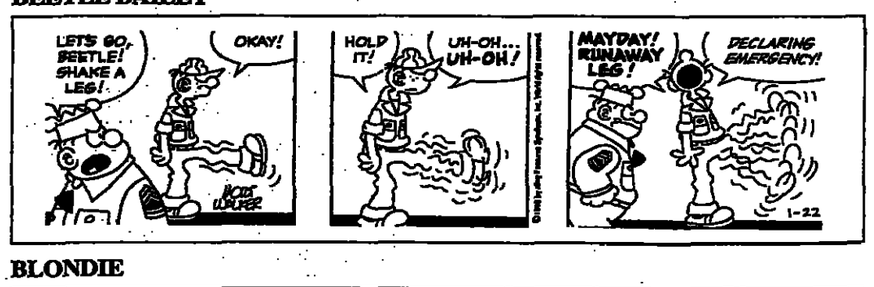
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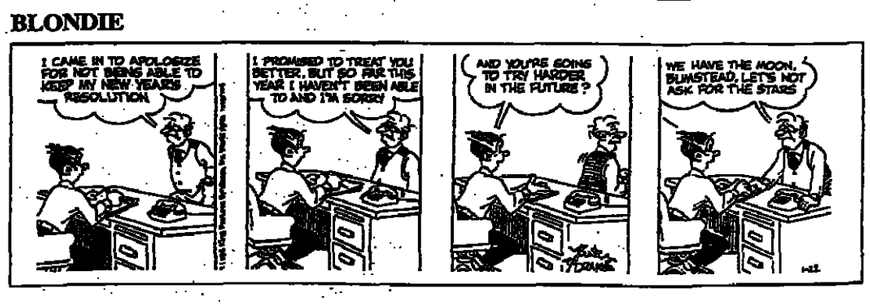
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SPORTS

SIDELINES

An Extra Day

OLYMPICS The Salt Lake Olympic Organizing Committee wants to extend the 2002 Winter Olympics by a day to boost weekend television ratings. The proposal would move opening ceremonies ahead to Friday night. *(AP)*

Knight Expels Player

BASKETBALL Bob Knight, Indiana University's coach, removed Sherron Wilkerson from the team after the player was arrested for beating his girlfriend. Indiana now has an active roster of 10 players, including a former team manager. *(AP)*

India Is on Course

FIELD HOCKEY India routed the Netherlands, a World Cup finalist, 4-1, in the men's Olympic qualifying tournament Sunday in Barcelona. *(Reuters)*

White Sox Sign Phillips

BASEBALL The Chicago White Sox signed outfielder Tony Phillips, a free agent, to a two-year contract. Last year, Phillips, 36, batted .261 with 27 homers and 61 RBIs for the California Angels. He had 119 runs scored, fourth-highest in the American League, and 113 walks, to rank third.

Atlanta offered Avery $3.6 million in salary arbitration, while he sought $4.2 million. Avery made $4 million last year when he went 7-13 for the season with a 4.67 ERA.

The Milwaukee Brewers signed Ben McDonald to a two-year contract worth a reported $6 million and declared him "our No. 1 starter." McDonald, 28, suffered shoulder problems last season and was 3-6 with a 4.16 earned run average for Baltimore. *(AP)*

Referee Is the Butt

WRESTLING A wrestler from Colville High School in Washington State faces a charge of assault for allegedly knocking a referee unconscious with a head butt after losing a match. The referee, Bob West, said he will pursue the charge against Chad Hildebrandt, a 190-pound senior. West penalized Hildebrandt for head-butting his opponent, Josh Kelp. After Kelp pinned him, Hildebrandt shoved Kelp, said West. "I got between them, said something like 'That's enough. That will cost you a team point,'" West said. "The Colville kid chests up against me, reared back and head-butted me full force. They tell me I was out cold for about 30 seconds." *(AP)*



Jean-Pierre Muller/Agence France-Presse

The pressure is on French forward Abdelatif Benazzi, surrounded by English defenders in Five Nations contest.

England Yields to France, 15-12

Reuters

A drop goal in the last minute by Thomas Castaignede carried France to a 15-12 victory over England, the team's first against their arch rivals in the Five Nations championship since 1988.

The match was deadlocked at 9-9 with just four minutes to go when Thierry Lacroix seemed to have snatched a victory for France with a penalty from the halfway line. But French joy at the Parc des Princes in Paris was cut short less than two minutes later when the English fly half Paul Grayson evened the score with his second drop goal of the game.

With France apparently deprived once more of a first victory over England at the Parc in eight years, Castaignede, the young French center, found space in front of the English goal to seal a hard-fought victory.

In a match of much effort but no tries, all the points until then had been scored by the opposing fly halfs, Lacroix and Grayson.

On a bitterly cold afternoon in Paris, the passions aroused by every France-England encounter generated plenty of heat, yet not enough for the match to defrost until the final minutes.

France dominated, particularly in the second half but was thwarted by a dogged and determined England defense that gave France few chances to display its running game.

Grayson was robbed of another drop goal in the 56th minute when his kick bounced off a post, and the visitors twice came within a whisker of scoring a try.

The first effort caught France cold in the very first minute when Mike Catt kicked through the French defense. As Emile Ntamack, the French winger, fumbled the ball, his opposite number, Rory Underwood, came steaming through but just failed to get the downward pressure.

England's other good chance came in the 16th minute when its skipper, Will Carling, played a great reverse pass to Underwood to open a yawning gap in front of the French posts.

But Underwood's pass to Catt just in front of the line was down by the full-back's ankles and the opportunity was fumbled.

Scotland 16, Ireland 10 In Dublin, Scotland weathered a second-half onslaught to stretch its unbeaten sequence against Ireland to nine matches.

The visitors, playing with the wind at their backs in the first half, scored two early tries followed by a magnificent drop goal from the fly half Gregor Townsend a minute from halftime to lead, 16-3.

But Ireland showed its fighting spirit with a series of drives by the forwards, which set the ball up for the tight-head prop Peter Clohessy to score from five meters (16 feet) out just before halftime.

The Scots managed to prevent any further scoring despite facing a strong wind and driving rain, thanks to a combination of gritty defending and poor decision-making from Ireland.

All too often, Ireland, especially Jim Staples, the full-back and captain, kicked deep instead of trying to pass and bring the wingers Richard Wallace and Simon Geoghegan into the game.

Neither player was given a clear chance to run at his direct opponent for the whole match.

In contrast, Scotland's backs ran the ball wide when the opportunities arose in the first half and this approach bore fruit in the 22nd minute when the left wing Michael Dods touched down in the corner to finish off a good move involving Townsend and the center Ian Jardine.

Although, Dods was wide with his conversion attempt, the Scots were already handily placed as a result of an opportunist try from Kevin McKenzie in the 12th minute. He dived on the loose ball behind the line after Ireland's Gabriel Fulcher had fumbled a lineout throw five meters out.

Try as it might, Ireland could not find a way through Scotland's cover for a much-needed touchdown in the second half, while Eric Elwood was wide with two kickable penalties.

Frenchman Prevails In Slalom Cup Race

Reuters

Sebastien Amiez's consistency was finally rewarded with victory on Sunday when he survived a treacherous slalom piste in Veysonnaz, Switzerland, to win his first World Cup race.

The Frenchman had finished in the top five in all six previous slaloms this season but had never won a race.

His first career victory was also the first in the slalom by a Frenchman since 1992, when Patrice Bianchi won in Madonna di Campiglio, Italy.

The icy 3,500-meter (11,480-feet) Bear Course claimed the former Olympic champion Alberto Tomba in the first leg and almost a third of the 30 racers in the second leg. But Amiez, 23, hung on to post a winning time of one minute 38.79 seconds.

Rene Mlekuz of Slovenia, who began the day as the 64th starter, ended it in second place with a time of 1:39.16.

Marc Girardelli of Luxembourg, five times the winner of the overall World Cup title, used a sixth-place finish in the slalom to win the combined event, which also included Saturday's downhill here. The victory was the 46th of the 32-year-old Girardelli's remarkable career.

Switzerland's newest star, Bruno Kernen, the winner of back-to-back downhills on Friday and Saturday, appeared poised to claim his third victory in three days until he straddled a gate within sight of the finish line on his second run.

Tomba, the first skier on the course set up by his coach, Gustavo Thoeni, hooked his left ski on a gate halfway down and was on his way home before the first 30 competitors had completed their runs.

At Cortina d'Ampezzo, Italy, Anita Wachter of Austria won a women's giant slalom Sunday and grabbed the lead in the overall World Cup standings from Martina Ertl of Germany, who missed a gate. Wachter was only third fastest in the first leg but made no mistakes on an icy second run for a combined time of 2 minutes 37.74 seconds.

Erika Hansson of Sweden was second, a career best and her first podium finish, in 2:38.13, after clocking the fastest time on the 58-gate second leg. Katja Seizinger of Germany, the leader after the first leg, was third in 2:38.14.

In Cortina on Saturday, Isolde Kostner became the first Italian woman to win a World Cup downhill in Italy in almost 29 years.



Armando Trovati/The Associated Press

Anita Wachter of Austria, the new overall leader in World Cup standings.

SCOREBOARD

TENNIS

AUSTRALIAN OPEN

MEN'S SINGLES

THIRD ROUND

Mark Philippoussis, U.S., def. Pete Sampras (1), U.S., 6-4, 7-6 (11-9), 7-6 (7-3); Renzo Furlan, Italy, def. Goran Ivanisevic (10), Croatia, 6-2, 3-6, 6-4, 6-2; Boris Becker (4), Germany, def. Magnus Larsson, Sweden, 7-6 (7-5), 6-3, 6-3. Yevgeny Kafelnikov (6), Russia, def. Michael Tebbutt, Australia, 7-5, 5-7, 6-4, 6-2. Thomas Enqvist (7), Sweden, def. Hernan Gumy, Argentina, 6-2, 7-6 (7-3), 3-6, 6-1.

FOURTH ROUND

Michael Chang (5), U.S., def. Jean-Philippe Fleurian, France, 6-2, 6-3, 6-4; Jim Courier (8), U.S., def. Marcos Ondruska, South Africa, 7-5, 2-6, 4-6, 6-4, 6-2; Andre Agassi (2), U.S., def. Jonas Bjorkman, Sweden, 4-6, 6-2, 4-6, 6-1, 6-2; Mikael Tillstrom, Sweden, def. Thomas Muster (3), Austria, 7-5, 4-6, 6-3, 6-2.

MEN'S DOUBLES

SECOND ROUND

Scott Draper and Jason Stoltenberg, Australia, def. Olivier Delaitre and Fabrice Santoro, France, 7-5, 6-3; Stefan Edberg, Sweden, and Petr Korda, Czech Republic, def. Joshua Eagle, Australia, and Andrew Florent, Australia, 4-6, 6-3, 6-2.

THIRD ROUND

Mark Knowles, Bahamas, and Daniel Nestor (3), Canada, def. Yevgeny Kafelnikov, Russia, and Wayne Ferreira (13), South Africa, 7-6 (7-2), 6-3; Sebastien Lareau, Canada, and Alex O'Brien, U.S., def. Tommy Ho, U.S., and Brett Steven (7), New Zealand, 6-3, 6-3; Martin Damm, Czech Republic, and Jim Grabb, U.S., def. Jacco Eltingh, Netherlands, and Paul Haarhuis (2), Netherlands, 7-6 (7-5), 6-2; Guy Forget, France, and Jakob Hlasek (12), Switzerland, def. Marc Goellner, Germany, and David Prinosil, Germany, 6-3, 6-7 (5-7), 6-2.

WOMEN'S SINGLES

THIRD ROUND

Conchita Martinez (2), Spain, def. Jana Kandarr, Germany, 6-3, 6-0; Amanda Coetzer, S. Africa, def. Rika Hiraki, Japan, 6-3, 6-1; Anke Huber (8), Germany, def. Ludmila Richterova, Czech Republic, 6-2, 6-1; Lindsay Davenport (10), U.S., def. Nanne Dahlman, Finland, 6-4, 7-5; Brenda Schultz-McCarthy (11), Netherlands, def. Kristie Boogert, Netherlands, 4-6, 6-1, 6-4.

FOURTH ROUND

Monica Seles (1), U.S., def. Naoko Sawamatsu (15), Japan, 6-1, 6-3; Arantxa Sanchez Vicario (3), Spain, def. Mary Joe Fernandez (9), U.S., 6-3, 6-3; Chanda Rubin (13), U.S., def. Gabriela Sabatini (6), Argentina, 6-2, 6-4; Iva Majoli (7), Croatia, def. Sabine Appelmans, Belgium, 6-2, 6-2.

WOMEN'S DOUBLES

THIRD ROUND

Yayuk Basuki, Indonesia, and Caroline Vis, Netherlands, def. Nanne Dahlman, Finland, and Clare Wood, Britain, 6-7 (3-7), 6-4, 6-2; Nicole Arendt, U.S., and Manon Bollegraf (4), Netherlands, def. Conchita Martinez, Spain, and Patricia Tarabini (9), Argentina, 6-3; Elena Makarova, Russia, and Eugenia Maniokova, Russia, def. Catherine Barclay, Australia, and Jenny Byrne, Australia, 6-4, 6-2; Chanda Rubin, U.S., and Arantxa Sanchez Vicario (8), Spain, def. Karin Kschwendt, Germany, and Anke Huber, Germany, 6-0, 7-5.

MIXED DOUBLES

SECOND ROUND

Ellis Ferreira, South Africa, and Helena Sukova, Czech Republic, def. Piet Norval, South Africa, and Els Callens, Belgium, 4-6, 7-5, 6-4; Matt Lucena and Meredith McGrath, U.S., def. Daniel Nestor, Canada, and Rene Simpson, Canada, 6-3, 4-6, 6-2; John-Laffnie De Jager, South Africa, and Jill Hetherington, Canada, def. Cyril Suk, Czech Republic, and Gigi Fernandez (2), U.S., 6-4, 6-2.

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE	W	L	Pct	GB
ATLANTIC DIVISION				
Orlando	28	10	.737	—
New York	24	14	.632	4
Washington	19	19	.500	9
Miami	17	21	.447	11
New Jersey	16	22	.421	12
Boston	15	23	.395	13
Philadelphia	7	29	.194	20
CENTRAL DIVISION				
Chicago	33	3	.917	—
Indiana	23	14	.622	10½
Cleveland	21	16	.568	12½
Atlanta	21	17	.553	13
Detroit	19	17	.528	14
Charlotte	18	20	.474	16
Milwaukee	15	22	.405	18½
Toronto	10	28	.263	24
WESTERN CONFERENCE				
MIDWEST DIVISION	W	L	Pct	GB
San Antonio	25	11	.694	½
Houston	27	12	.692	—
Utah	24	13	.649	2
Denver	16	23	.410	11
Dallas	12	24	.333	13½
Minnesota	11	27	.289	15½
Vancouver	8	30	.211	18½
PACIFIC DIVISION				
Seattle	26	11	.703	—
Sacramento	22	13	.629	3
L.A. Lakers	21	18	.538	6
Portland	19	19	.500	7½
Golden State	17	22	.436	10
Phoenix	14	21	.400	11
L.A. Clippers	15	24	.385	12

FRIDAY'S RESULTS

Atlanta 28 24 22 16— 82
Philadelphia 23 21 20 13— 77
A: Smith 7-17 3-4 17; Blaylock 8-20 2-2 23. P: Ruffin 7-18 1-1 18; Maxwell 7-14 3-3 20. Rebounds—Atlanta 45 (Long 12), Philadelphia 57 (Weatherspoon 14). Assists—Atlanta 22 (Long 7), Philadelphia 15 (Ruffin 6).

New Jersey 24 21 18 24— 87
Washington 38 16 20 27— 93
N.J.: Gilliam 10-19 12-12 32; Childs 7-19 3-3 18. W: Webber 11-25 1-2 25; B.Price 4-5 5-5 16. Rebounds—New Jersey 62 (Gilliam 14), Washington 40 (Webber, Wallace 7). Assists—New Jersey 10 (Childs 5), Washington 20 (Webber 8).

Detroit 26 16 17 22— 81
Indiana 30 14 27 18— 89
D: Hill 8-13 4-8 20; Houston 6-17 6-6 21. I: Smits 9-17 7-8 25; Miller 5-13 12-14 22. Rebounds—Detroit 45 (Hill 12), Indiana 49 (D.Davis 10). Assists—Detroit 17 (Hill 8), Indiana 18 (McKey, Smits 4).

Charlotte 35 29 27 23—114
Miami 32 24 27 23—106
C: Rice 10-21 4-4 28; Johnson 8-23 9-13 29. M: Mourning 11-17 10-12 32; Chapman 7-16 0-0 20. Rebounds—Charlotte 49 (Johnson 9), Miami 49 (Mourning 22). Assists—Charlotte 23 (Adams 12), Miami 27 (Myers 11).

San Antonio 18 21 22 38— 92
Minnesota 18 27 27 28—100
S.A.: Lohaus 7-19 2-3 22; Robinson 8-24 5-8 21. M: Mitchell 5-8 6-6 16; Rider 12-21 2-2 27. Rebounds—San Antonio 49 (Robinson 15), Minnesota 60 (Gugliotta 14). Assists—San Antonio 23 (Johnson 7), Minnesota 27 (Marlin 13).

Boston 25 29 33 44—124
Dallas 23 34 34 38—129
B: Radja 9-16 3-5 21; Wesley 9-16 2-2 25. D: Kidd 9-14 5-9 23; Jackson 11-19 7-8 31. Rebounds—Boston 49 (Fox 8), Dallas 54 (McCloud, Jones 9). Assists—Boston 25 (Fox 8), Dallas 24 (Kidd 12).

Orlando 29 28 26 16— 99
Utah 26 24 32 29—111
O: O'Neal 7-19 5-8 19; Anderson 10-13 0-0 29. U: Malone 15-24 7-10 37; Hornacek 8-12 5-6 23. Rebounds—Orlando 35 (O'Neal 8), Utah 47 (Malone 11). Assists—Orlando 25 (Hardaway 9), Utah 35 (Stockton 17).

Phoenix 29 19 22 14— 84
Portland 22 32 28 19—101
P: Finley 7-12 4-6 18; Tisdale 8-16 2-4 18. P: Trent 9-14 3-4 21; Sabonis 8-10 1-1 17. Rebounds—Phoenix 43 (Green 15), Portland 55 (Williams 9). Assists—Phoenix 23 (Perry 11), Portland 24 (McKie 7).

New York 23 25 21 18 13—100
Seattle 26 20 19 22 10— 97
N.Y.: Ewing 18-28 5-7 41; Harper 7-16 3-4 17. S: Kemp 8-15 9-10 25; Payton 6-15 9-12 22. Rebounds—New York 52 (Ewing 16), Seattle 51 (Kemp 14). Assists—New York 25 (Ward 6), Seattle 18 (McMillan 4).

LA Lakers 33 24 27 22—106
LA Clippers 38 29 12 29—108
Lakers: Ceballos 11-17 3-6 25; Van Exel 9-19 3-4 23. Clippers: Vaught 11-22 6-7 28; Dehere 7-18 0-0 17. Rebounds—LA Lakers 42 (Lynch 7), LA Clippers 54 (Vaught 15). Assists—LA Lakers 21 (Divac, Van Exel, Threatt 4), Los Angeles 23 (Williams, Barry, Rogers 4).

SATURDAY'S RESULTS

Golden State 29 26 31 34—110
Charlotte 28 31 22 21—102
G.S.: Smith 9-18 3-5 21; Sprewell 7-16 2-2 20. C: Curry 8-19 3-4 23; Rice 11-26 0-0 25. Rebounds—Golden State 64 (Smith 20), Charlotte 46 (Geiger 10). Assists—Golden State 23 (Hardaway 9), Charlotte 22 (Johnson 7).

Miami 25 21 12 20—78
Atlanta 22 22 31 23—98
M: Thomas 6-8 1-2 13; Lenard 5-7 0-0 13. A: Long 7-12 6-6 20; Blaylock 6-9 0-0 16. Rebounds—Miami 44 (Mourning, Thomas 7), Atlanta 50 (Long 11). Assists—Miami 17 (Coles 4), Atlanta 16 (Blaylock 4).

Minnesota 21 25 25 21 5—97
New Jersey 26 22 22 22 11—103
M: Gugliotta 10-16 1-3 22; Laettner 8-15 9-10 25. N.J.: Gilliam 11-22 1-1 23; Childs 10-23 7-9 30. Rebounds—Minnesota 45 (Gugliotta, Laettner 9), New Jersey 65 (Brown 14). Assists—Minnesota 22 (Martin 6), New Jersey 20 (Childs 10).

Sacramento 23 28 33 31—115
Denver 24 26 32 28—110
S: Richmond 8-16 5-7 22; Marciulionis 5-7 10-11 20. D: Mutombo 7-8 6-6 20; Abdul-Rauf 12-22 7-7 36. Rebounds—Sacramento 48 (Polynice 13), Denver 43 (McDyess 12). Assists—Sacramento 24 (Edney 10), Denver 27 (Rose 11).

New York 29 16 15 20—80
Vancouver 22 27 21 14—84
N.Y.: Ewing 10-21 3-5 23; Davis 6-12 0-0 14. V: Reeves 6-12 2-2 14; Anthony 4-11 5-7 14. Rebounds—New York 43 (Ewing 23), Vancouver 57 (Reeves 10). Assists—New York 21 (Starks 6), Vancouver 20 (B.Edwards 6).

Cleveland 24 25 18 26— 93
L.A. Lakers 18 27 14 23— 82
C: Ferry 8-12 2-2 19; Brandon 5-17 8-9 19. L.A.: Ceballos 7-12 1-1 15; Van Exel 6-12 4-4 17. Rebounds—Cleveland 44 (Ferry, Cage 10), Los Angeles 34 (Lynch 9). Assists—Cleveland 24 (Brandon 10), Los Angeles 22 (Van Exel 5).

Utah 23 28 30 25—106
L.A. Clippers 15 23 21 23— 82
U: Benoit 7-10 0-0 15; Malone 9-15 3-8 21. L.A.: Barry 7-18 4-4 22; Piatkowski 3-7 7-7 16. Rebounds—Utah 56 (Keefe 11), Los Angeles 36 (Vaught 8). Assists—Utah 29 (Stockton 15), Los Angeles 11 (Dehere, Piatkowski 3).

TOP 25 COLLEGE RESULTS

How the top 25 teams in The Associated Press' college basketball poll fared Saturday: 1, Massachusetts (16-0) beat Duquesne 93-89. Next at Pittsburgh, Tuesday; 2, Kentucky (15-1) beat Texas Christian 124-80. Next at No. 22 Georgia, Wednesday; 4, Kansas (14-1) beat Colorado 80-78. Next vs. Oklahoma, Monday; 7, Villanova (14-3) beat No. 10 North Carolina 76-56. Next vs. Providence, Wednesday.

8, Georgetown (16-2) beat Seton Hall 82-62. Next vs. No. 12 Syracuse, Wednesday; 9, Memphis (12-3) lost to Marquette 59-55. Next vs. Alabama-Birmingham, Wednesday; 10, North Carolina (13-4) lost to No. 7 Villanova 76-56. Next at Florida State, Wednesday; 13, UCLA (12-4) lost to No. 18 Arizona 88-79. Next vs. Southern California, Wednesday.

15, Utah (14-3) beat Wyoming 88-65. Next at Texas-El Paso, Thursday; 16, Iowa (14-4) lost to Michigan State 62-60. Next vs. No. 20 Michigan, Sunday, Jan. 28; 17, Purdue (14-3) lost to Illinois 71-67. Next at No. 14 Penn State, Wednesday; 18, Arizona (13-3) beat No. 13 UCLA 88-79. Next at Oregon State, Thursday.

21, Mississippi State (11-4) lost to Arkansas 80-68. Next at South Carolina, Wednesday; 22, Georgia (11-4) lost to Tennessee 67-62. Next vs. No. 2 Kentucky, Wednesday; 24, Boston College (12-3) beat St. John's 91-78. Next at No. 12 Syracuse, Saturday; 25, Texas Tech (14-1) beat Houston 95-76. Next at Southern Methodist, Tuesday.

MAJOR COLLEGE SCORES

FRIDAY'S RESULTS

Idaho 75, E. Washington 53
Loyola Marymount 71, Santa Clara 62
New Hampshire 106, Maine 103, 4OT
Niagara 52, Siena 50
St. Mary's, Cal. 89, Pepperdine 79
St. Peter's 68, Canisius 64

SATURDAY'S RESULTS

California 97, Oregon 72
Colorado St. 78, Brigham Young 76
Cornell 75, Columbia 71
Dartmouth 72, Lafayette 71
Duke 85, Florida St. 65
Florida 59, Mississippi 55
Fresno St. 84, Hawaii 80
Georgia Tech 90, Virginia 70
Kansas 80, Colorado 78
Kansas St. 75, Oklahoma 60
Maryland 77, N. Carolina St. 74, OT
Miami 66, Pittsburgh 57
Minnesota 56, Ohio St. 50
Nebraska 66, Oklahoma St. 57
Nevada 79, Long Beach St. 75
New Mexico 64, Texas-El Paso 60
Northwestern 62, Wisconsin 52
N.C. Charlotte 89, South Florida 56
N.C.-Greensboro 82, Winthrop 60
Notre Dame 79, Rutgers 67
Providence 95, West Virginia 78
Rhode Island 68, Fordham 53
St. Joseph's 67, La Salle 65
St. Louis 60, DePaul 59
San Diego St. 77, Air Force 69
South Carolina 90, Alabama 67
Southern Cal 80, Arizona St. 67
Stanford 84, Oregon St. 51
Tulane 67, Temple 59
Vanderbilt 75, Evansville 61
Xavier, Ohio 76, St. Bonaventure 62
Yale 62, Brown 56

HOCKEY

NHL ALL-STAR GAME

Western 0 3 1—4
Eastern 2 2 1—5

First Period—1, E-Lindros (Leetch, LeClair), 11:05. 2, E-Verbeek (Lemieux, Schneider), 13:49. Penalty—Western bench, served by Gartner (too many men), 4:35. Second Period—3, E-Jagr (Lemieux, Francis), 2:07. 4, W-Hull (Kariya, Coffey), 5:33. 5, E-Shanahan (Turgeon, Neely), 8:57. 6, W-Coffey (Fedorov, Mogilny), 11:42. 7, W-Kariya (Sundin), 17:47. Penalty—Eastern bench, served by Mellanby (too many men), 15:14. Third Period—8, W-Selanne, 16:31. 9, E-Bourque (Messier, Verbeek), 19:22. Penalties—None. Shots on goal—W- 12-7-13—32. E- 18-15-8—41. Power-play Opportunities—W- 0 of 1; E- 0 of 1. Goalies—W- Belfour (18 shots-16 saves), Osgood (0:00 second, 15-13), Potvin, L (0:00 third, 8-7). E- Brodeur (12-12), Vanbiesbrouck (0:00 second, 7-4), Hasek, W (0:00 third, 13-12). A—17,565. Referee—Mark Faucette. Linesmen—Ron Asselstine, Brad Lazarowich.

OLYMPIC QUALIFYING

IN BARCELONA

India 4, Netherlands 1
Britain 1, Canada 1
Spain 4, Belgium 0
Malaysia 2, Belarus 0

SOCCER

DUTCH FIRST DIVISION

Vitesse Arnhem 2, RKC Waalwijk 1
Twente Enschede 0, Roda JC Kerkrade 3
Volendam 0, Feyenoord Rotterdam 3
Utrecht 1, NEC Nijmegen 2
Sparta Rotterdam 3, Ajax Amsterdam 3
Fortuna Sittard 0, Willem II Tilburg 0
NAC Breda 1, Groningen 1
Heerenveen 1, PSV Eindhoven 3

STANDINGS: Ajax Amsterdam 53, PSV Eindhoven 50, Feyenoord Rotterdam 35, Willem II Tilburg 33, Heerenveen 32, Sparta Rotterdam 30, Roda JC Kerkrade 29, Vitesse Arnhem 29, NAC Breda 27, Twente Enschede 26, Groningen 26, RKC Waalwijk 25, Fortuna Sittard 19, NEC Nijmegen 17, De Graafschap Doetinchem 14, Utrecht 14, Volendam 14, Go Ahead Eagles Deventer 12.

ITALIAN FIRST DIVISION

Cagliari 4, Udinese 1
Cremonese 3, Juventus 3
Milan 1, Padova 0
Napoli 1, Bari 0
Parma 2, Atalanta 0
Roma 3, Sampdoria 1
Torino 0, Fiorentina 3
Vicenza 1, Inter 1

STANDINGS: Milan 37, Fiorentina 36, Parma 34, Juventus 29, Roma 28, Lazio 26, Napoli 26, Inter 25, Vicenza 25, Udinese 25, Cagliari 23, Sampdoria 22, Atalanta 22, Torino 17, Bari 16, Piacenza 16, Padova 15, Cremonese 12.

SPANISH FIRST DIVISION

Real Madrid 1, Rayo Vallecano 2
Barcelona 1, Valladolid 0
Compostela 1, Celta Vigo 1
Real Betis 0, Merida 1
Real Oviedo 1, Zaragoza 1
Salamanca 2, Espanyol 2
Albacete 1, Sporting 3
Racing Santander 1, Athletic Bilbao 1

STANDINGS: Atletico Madrid 49, Compostela 43, Barcelona 42, Espanyol 42, Valencia 39, Tenerife 35, Real Betis 34, Real Madrid 33, Deportivo Coruna 32, Athletic Bilbao 29, Celta Vigo 28, Real Sociedad 26, Sporting Gijon 26, Zaragoza 26, Oviedo 23, Rayo Vallecano 23, Salamanca 22, Merida 22, Sevilla 22, Racing 22, Albacete 21, Valladolid 14.

ENGLISH PREMIER LEAGUE

Arsenal 1, Everton 2
Blackburn 3, Sheffield Wednesday 0
Chelsea 1, Nottingham Forest 0
Liverpool 5, Leeds 0
Manchester City 1, Coventry 1
Newcastle 2, Bolton 1
Southampton 2, Middlesbrough 1
Wimbledon 2, Queens Park Rangers 1
Aston Villa 2, Tottenham 1

STANDINGS: Newcastle 54, Liverpool 42, Manchester United 42, Tottenham 41, Aston Villa 39, Blackburn 38, Arsenal 37, Nottingham Forest 37, Everton 36, Chelsea 34, Leeds 35, Middlesbrough 33, Sheffield Wednesday 26, Wimbledon 24, West Ham 23, Southampton 23, Coventry 20, Manchester City 20, Queens Park Rangers 18, Bolton 13.

SCOTTISH PREMIER DIVISION

Aberdeen 1, Partick 0
Hibernian 0, Motherwell 0
Kilmarnock 0, Celtic 0
Raith 1, Falkirk 0
Rangers 0, Hearts 3

FRENCH FIRST DIVISION

Lens 0, Nice 0
Strasbourg 1, Metz 2
Cannes 0, Auxerre 1
Monaco 2, Bordeaux 0
Nantes 1, Lille 2
Gueugnon 1, Bastia 0
Guingamp 3, Saint-Etienne 0
Lyon 2, Rennes 2
Montpellier 2, Martigues 0
Le Havre 1, Paris SG 1

STANDINGS: Paris St Germain 48, Metz 44, Auxerre 42, Lens 42, Monaco 39, Guingamp 36, Nantes 36, Bastia 35, Montpellier 34, Strasbourg 33, Rennes 33, Nice 32, Le Havre 28, Lyon 27, St Etienne 25, Bordeaux 25, Cannes 23, Lille 23, Gueugnon 22, Martigues 18.

CONCACAF GOLD CUP

SEMIFINAL

Mexico 1, Guatemala 0

AFRICAN NATIONS CUP

FIRST ROUND

South Africa 1, Angola 0
Zambia 5, Burkina Faso 1
Gabon 2, Zaire 0
Ivory Coast 1, Mozambique 0

OLYMPIC QUALIFYING

OCEANIA ZONE

Australia 5, New Zealand 0
Fiji 4, Vanuatu 0

SKIING

WORLD CUP RESULTS

MEN'S DOWNHILL

Results Saturday in Veysonnaz, Switzerland on the 3,829-yard Bear Course with skier, country and time: 1, Bruno Kernen, Switzerland, 2 minutes 2.69 seconds; 2, (tie) Patrick Ortlieb, Austria, and Luc Alphand, France, 2:03.49; 4, Werner Franz, Austria, 2:03.56; 5, Daniel Mahrer, Switzerland, 2:03.62; 6, Werner Perathoner, Italy, 2:03.76; 7, Brian Stemmle, Canada, 2:03.90; 8, Guenther Mader, Austria, 2:04.03; 9, Xavier Gigandet, Switzerland, 2:04.14; 10, William Besse, Switzerland, 2:04.21.

Downhill Standings (After 7 races): 1, Luc Alphand 432 points; 2, Patrick Ortlieb, Austria, 319; 3, Günther Mader, Austria, 282; 4, Bruno Kernen 275; 5, Xavier Gigandet 254; 6, Lasse Kjus, Norway, 225; 7, Werner Perathoner 178; 8, Peter Runggaldier, Italy, 151; 9, Brian Stemmle 150; 10, Roland Assinger, Austria, 146.

MEN'S SLALOM

Results Sunday in Veysonnaz on a course that dropped 656 feet with skier, country, individual heat times and total times: 1, Sebastien Amiez, France, (49.82, 48.97) one minute, 38.79 seconds; 2, Rene Mlekuz, Slovenia, (50.14, 49.02) 1:39.16; 3, Thomas Sykora, Austria, (49.66, 49.82) 1:39.48; 4, Yves Dimier, France, (50.80, 48.81) 1:39.61; 5, Andrej Miklavc, Slovenia, (50.12, 49.59) 1:39.71; 6, Marc Girardelli, Luxembourg, (50.61, 49.19) 1:39.80; 7, Michael Von Grünigen, Switzerland, (50.51, 49.34) 1:39.85; 8, Kiminobu Kimura, Japan, (50.08, 49.94) 1:40.02; 9, Finn-Christian Jagge, Norway, (49.66, 50.37) 1:40.03; 10, Fabrizio Tescari, Italy, (50.61, 49.69) 1:40.30.

MEN'S COMBINED

Results Sunday with downhill, slalom times and total times: 1, Marc Girardelli, Luxembourg, (2:04.64, 1:39.80), 3:44.44; 2, Günther Mader, (2:04.03, 1:41.38) 3:45.41; 3, Kjetil Andre Aamodt, Norway, (2:05.98, 1:42.32) 3:48.30; 4, Alessandro Fattori, Italy, (2:04.34, 1:45.44) 3:49.78; 5, Fredrik Nyberg, Sweden, (2:05.40, 1:44.65) 3:50.05; 6, Paul Accola, Switzerland, (2:04.64, 1:46.42) 3:51.06; 7, Harald Christian Strand Nilsen, Norway, (2:07.10, 1:44.39) 3:51.49; 8, Anne Saeter, Norway, (2:05.03, 1:48.53) 3:53.61; 9, Patrik Jaerbyn, Sweden, (2:05.55, 1:49.96) 3:55.53; 10, Kristian Ghedina, Italy, (2:04.46, 1:58.22) 3:59.88.

World Cup Slalom Standings (After 7 races): 1, Alberto Tomba, Italy, 440; 2, Sebastien Amiez, France, 435; 3, Jure Kosir, Slovenia, 285; 4, Thomas Sykora, Austria, 266; 5, Mario Reiter, Austria, 239; 6, Finn-Christian Jagge, Norway, 224; 7, Andrej Miklavc, Slovenia, 213; 8, Fabio De Crignis, Italy, 197; 9, Christian Mayer, Austria, 194; 10, Yves Dimier, France, 184.

Overall World Cup Standings (After 25 races): 1, Lasse Kjus, Norway, 956; 2, Michael Von Grünigen, Switzerland, 726; 3, Günther Mader, Austria, 703; 4, Alberto Tomba 616; 5, Hans Knauss, Austria, 566; 6, Luc Alphand, France, 468; 7, Fredrik Nyberg, Sweden, 465; 8, Sebastien Amiez 435; 9, Mario Reiter, Austria, 433; 10, Urs Kaelin, Switzerland, 421.

WOMEN'S DOWNHILL

Results Saturday in Cortina d'Ampezzo, Italy on the 2,490-meter Olimpia Tofane course with skier, country and time: 1, Isolde Kostner, Italy, 1 minute, 28.93 seconds; 2, Picabo Street, U.S., 1:29.12; 3, Renate Goetschl, Austria, 1:29.66; 4, Pernilla Wiberg, Sweden, 1:29.72; 5, Barbara Merlin, Italy, 1:29.75; 6, Bibiana Perez, Italy, 1:30.03; 7, Kate Lindsay Pace, Canada, 1:30.13; 8, Heidi Zurbriggen, Switzerland, 1:30.40; 9 (tie), Alexandra Meissnitzer, Austria, and Ingrid Stoeckl, Austria, 1:30.41.

Downhill Standings (After five races): 1, Picabo Street, U.S., 380 points; 2, Isolde Kostner, Italy, 246; 3, Alexandra Meissnitzer, Austria, 235; 4, Katja Seizinger, Germany, 225; 5, Renate Goetschl, Austria, 184; 6, Michaela Dorfmeister, Austria, 183; 7, Heidi Zurbriggen, Switzerland, 179; 8, Warwara Zelenskaja, Russia, 175; 9, Pernilla Wiberg, Sweden, 171; 10, Hilary Lindh, Juneau, Alaska, 152.

WOMEN'S GIANT SLALOM

Results Sunday in Cortina d'Ampezzo (heat times in parentheses): 1, Anita Wachter, Austria (1:18.62-1:19.12) 2:37.74; 2, Erika Hansson, Sweden (1:19.04-1:19.09) 2:38.13; 3, Katja Seizinger, Germany (1:17.90-1:20.24) 2:38.14; 4, Deborah Compagnoni, Italy (1:19.58-1:19.31) 2:38.89; 5, Sonja Nef, Switzerland (1:18.52-1:20.90) 2:39.42; 6, Isolde Kostner, Italy (1:19.45-1:20.79) 2:40.24; 7, Madlen Summermatter, Switzerland (1:19.54-1:20.91) 2:40.45; 8, Heidi Zurbriggen, Switzerland (1:20.50-1:20.22) 2:40.72; 9, Leila Piccard, France (1:19.42-1:21.73) 2:41.15; 10, Marianne Kjoerstad, Norway (1:19.65-1:21.71) 2:41.36.

World Cup Giant Slalom Standings (After 5 races) 1, Martina Ertl, Germany, 360; 2, Anita Wachter 290; 3, Katja Seizinger 260; 4, Sonja Nef, Switzerland, 226; 5, Erika Hansson, Sweden, 194; 6, Sabina Panzanini, Italy, 183; 7, Deborah Compagnoni, Italy, 180; 8, Mojca Suhadolc, Slovenia, 154; 9, Karin Roten, Switzerland, 150; 10, Alexandra Meissnitzer 115.

Overall World Cup Standings: 1, Anita Wachter 835 points; 2, Martina Ertl 784 points; 3, Katja Seizinger, Germany, 782; 4, Alexandra Meissnitzer, Austria, 632; 5, Elfi Eder, Austria, 528; 6, Picabo Street, U.S., 508; 7, Michaela Dorfmeister, Austria, 506; 8, Isolde Kostner, Italy, 461; 9, Pernilla Wiberg, Sweden, 446; 10, Heidi Zurbriggen, Switzerland, 418.

RUGBY

FIVE NATIONS CHAMPIONSHIP

France 15, England 12

Scorers: France — Penalties: Thierry Lacroix (3). Drop-goals: Lacroix, Thomas Castaignede; England — Penalties: Paul Grayson (2). Drop-goals: Grayson (20).

Scotland 16, Ireland 10

Scorers: Scotland — Tries: Kevin McKenzie, Michael Dods. Penalty: Dods. Drop-goal: Gregor Townsend; Ireland — Try: Peter Clohessy. Conversion: Eric Elwood. Penalty: Elwood.

FOOTBALL

SENIOR BOWL

IN MOBILE, ALABAMA

North 25, South 10

CRICKET

SEVENTH ONE-DAY INTERNATIONAL

SOUTH AFRICA VS. ENGLAND

SUNDAY, IN PORT ELIZABETH

South Africa innings: 218-9 (50 overs)
England innings: 154 (all out, 46.1 overs)
Result: South Africa win series 6-1.

WORLD SERIES FINAL

AUSTRALIA VS. SRI LANKA

SATURDAY, IN SYDNEY

Australia innings: 273-5 (50 overs)
Sri Lanka innings: 159-8 (25 overs)
Result: Australia win World Series finals 2-0.

SECOND TEST

NEW ZEALAND VS. ZIMBABWE, 3D DAY

SUNDAY, IN AUCKLAND

New Zealand 1st innings: 251
Zimbabwe 1st innings: 231-7

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BALTIMORE—Agreed to terms with Scott Erickson, pitcher, on 2-year contract.

CHICAGO—Agreed to terms with Wilson Alvarez, Alex Fernandez and Roberto Hernandez, pitchers, on 1-year contracts. Agreed to terms with Tony Phillips, outfielder, on 2-year contract.

MILWAUKEE—Agreed to terms with Ben McDonald, pitcher, on 2-year contract.

NEW YORK—Agreed to terms with Andy Cook, John Burgos, Jose DeJesus, Paul Gibson, Francisco Gonzales, Dave Pavlas, Dale Polley and Rafael Quirico, pitchers; Tim McIntosh, Jamie Torres and Tom Wilson, catchers; Tim Barker, Ivan Cruz, Freddie Benavides and Matt Howard, infielders; Kevin Maas, infielder-outfielder; and Bubba Carpenter and Nick Delvecchio, outfielders, on minor-league contracts. Named Rick Cerrone director of media relations.

OAKLAND—Agreed to terms with Mike Bordick, infielder, and Geronimo Berroa, outfielder, on 1-year contracts.

SEATTLE—Agreed to terms with John Forrest, pitcher, on a minor-league contract. Named Ron Romanick minor-league pitching coordinator and Bryan Price pitching coach for Port City, SL.

TEXAS—Agreed to terms with Roger Pavlik, pitcher, on 1-year contract.

TORONTO—Agreed to terms with Paul Quantrill and Mike Timlin, pitchers, and Lonell Roberts, outfielder, on 1-year contracts.

NATIONAL LEAGUE

CHICAGO—Agreed to terms with Brian McRae, outfielder, on 1-year contract.

FLORIDA—Agreed to terms with Ryan Bowen, pitcher, on 1-year contract.

HOUSTON—Agreed to terms with Derek Bell, outfielder, on 1-year contract.

PHILADELPHIA—Signed Mike Walker, pitcher, to a minor-league contract.

PITTSBURGH—Agreed to terms with Denny Neagle, pitcher, on 1-year contract.

ST. LOUIS—Agreed to terms with Royce Clayton, infielder, on 1-year contract.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

NBA—Suspended Juwan Howard, Washington Bullets forward, and Bimbo Coles, Miami Heat guard, for one game and fined them $12,000 and $6,000, respectively, for throwing punches during a game on Jan. 17.

DALLAS—Signed Reggie Slater, forward, to a second 10-day contract.

L.A. CLIPPERS—Put Malik Sealy, guard, on injured list. Activated Stanley Roberts, center, from injured list.

NEW JERSEY—Traded Kenny Anderson, guard, and Gerald Glass, guard-forward, to Charlotte for Kendall Gill and Khalid Reeves, guards.

PHOENIX—Signed David Wood, forward, to 10-day contract.

VANCOUVER—Activated Ashraf Amaya, forward, from injured list. Put Rich Manning, center, on injured list.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

NFL—Fined Ray Seals, Pittsburgh defensive end, $2,500 for taunting Buffalo quarterback Jim Kelly during a playoff game on Jan. 6.

JACKSONVILLE—Signed Cornell Thomas, defensive end.

THE WEEK AHEAD

TUESDAY, JAN. 23:

SKIING Valloire, France — men, Alpine World Cup, super-giant slalom.

WEDNESDAY, JAN. 24:

SOCCER Terni, Italy — Italy vs. Wales, exhibition.

Paris — France vs. Portugal, exhibition.

African Nations' Cup soccer: Johannesburg — Egypt vs. South Africa; Durban — Angola vs. Cameroon; Port Elizabeth — Sierra Leone vs. Zambia; Blomfontein — Burkina Faso vs. Algeria.

GOLF Arizona: Phoenix Open golf, through Jan. 28.

THURSDAY, JAN. 25:

GOLF Singapore — men, Johnnie Walker Classic, through Jan. 28.

CRICKET Adelaide — Australia vs. Sri Lanka, third test, through Jan. 29.

SOCCER African Nations' Cup soccer: Johannesburg — Liberia vs. Zaire; Port Elizabeth — Tunisia vs. Ivory Coast; Blomfontein — Mozambique vs. Ghana.

FRIDAY, JAN. 26:

SKIING Sestriere, Italy — women, Alpine World Cup, downhill, slalom, combined.

SOCCER Geneva — UEFA hearing on Wimbledon and Tottenham appeal against European ban.

SATURDAY, JAN. 27:

SKIING Sestriere, Italy — men, Alpine World Cup, downhill, slalom, combined.

SOCCER African Nations' Cup quarterfinals in Johannesburg and Bloemfontein.

FOOTBALL Tempe, Arizona — NFL Hall of Fame voting announced.

SUNDAY, JAN. 28:

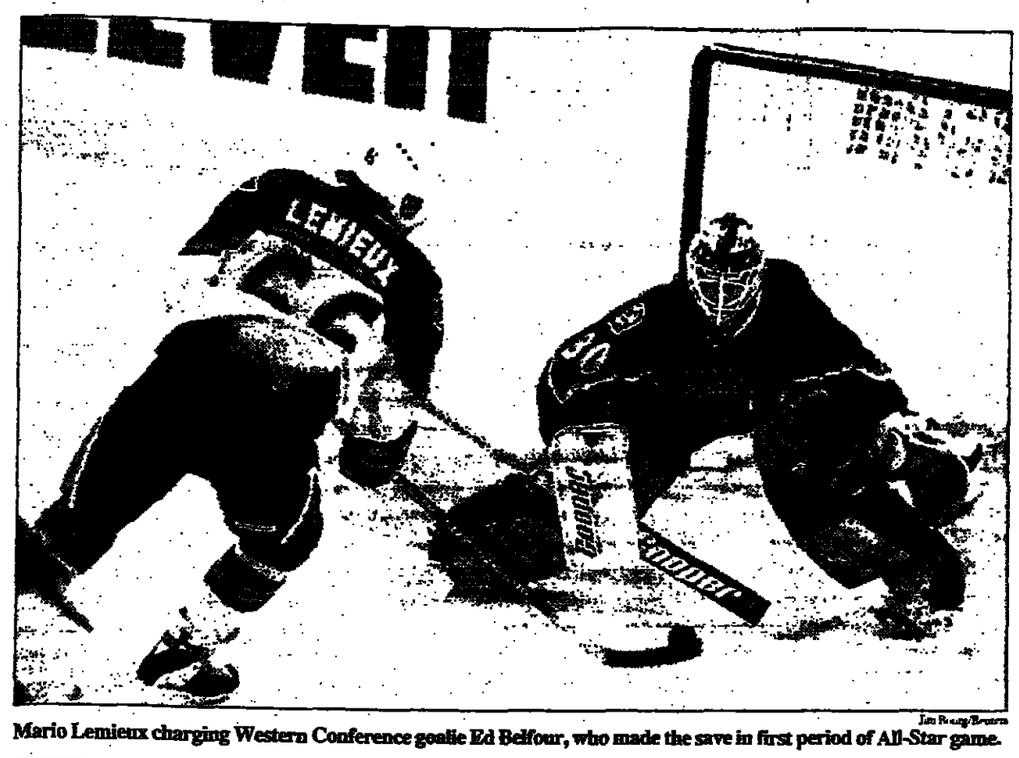
CRICKET Auckland — one-day international, New Zealand vs. Zimbabwe.

SOCCER African Nations' Cup quarterfinals in Port Elizabeth and Durban.

SKIING St. Gervais, France — women, Alpine World Cup, slalom.

FOOTBALL Tempe, Arizona — NFL Super Bowl.

SPORTS



Jim Rogash/Reuters

Mario Lemieux charging Western Conference goalie Ed Belfour, who made the save in first period of All-Star game.

East Wins NHL All-Star Thriller

Bourque's Last Minute Goal Averts Overtime

The Associated Press

BOSTON — Ray Bourque gave his hometown fans and NHL officials plenty to cheer about — a rousing finish to its star-filled night.

His goal with 38 seconds left changed the tone of a sometimes dull defensive battle — a rarity in recent All-Star games — and gave the East a 5-4 victory over the West.

Last year's game was canceled because of the owners' lockout, and the NHL wanted this year's contest to continue its revival from that chaos.

The match had lacked the excitement that comes with breakaways, high-speed rushes and whirling passes. Then Bourque, the five-time Norris Trophy winner in his 16 seasons with the Bruins, came through. He swept in for the winning goal as the fans went wild.

Until Teemu Selanne tied the game for the West with 3:29 to go, the six goaltenders who played had upstaged such offensive stars as Wayne Gretzky and Mario Lemieux.

Bourque became just the second defenseman to win the game's MVP award. Another Boston defenseman, Bobby Orr, was the first.

Pat Verbeek's shot from the left circle was saved by Felix Potvin. But the puck skittered out to the other side where Bourque was racing in. He fired a 15-foot backhander over Potvin's left shoulder and the cheers poured down.

Eric Lindros and Verbeek gave the East a 2-0 lead after one period. Jaromir Jagr made it 3-0, but Brett Hull cut the deficit 5:33 into the second period.

Brendan Shanahan's goal gave the East a 4-1 advantage. Then Paul Coffey scored at 11:42 and Paul Kariya connected at 17:47 as the West closed to 4-3.

Dominik Hasek's brilliant goaltending kept it that way for most of the third period until Selanne beat him, making the first overtime game since 1986 likely.

The NHL, seeking a wider audience, did get to show off some of its new attributes in its 46th All-Star game.

The game was played in the four-month-old Fleet Center, which replaced the 67-year-old Boston Garden.

It was the first prime-time All-Star game since 1989, and the network telecast used a device designed to make it easier to follow on television. The puck had a computer chip in it and appeared on TV with a blue dot surrounding it and a red tail coming off it on slapshots.

Gretzky, in his 15th consecutive All-Star game, was held scoreless, failing to break his tie with Gordie Howe for most points in All-Star game history, 19.

In the goals, the East used Martin Brodeur, John Vanbiesbrouck and Hasek and the West Ed Belfour, Chris Osgood and Potvin. They held down the score after an average of 18 goals were scored in the last five All-Star games.

Brodeur made several outstanding saves early, and was replaced in the second period by Vanbiesbrouck, who allowed three goals on seven shots.

After Shanahan gave the East a 4-1 lead at 8:51, the West got the next two goals on some smooth moves.

Alexander Mogilny drew East defenseman Scott Stevens out, then passed between Stevens' legs to Coffey, who shot into the open side. Kariya scored at 17:47 when he went up the left side and cut across the slot.

In Overtime, Nets Keep 'Wolves at Bay

Hawks Turn Off Heat, 98-78, for 7th Straight Victory

The Associated Press

Chris Childs scored a career-high 30 points and hit four free throws in the final 44 seconds of overtime as the New Jersey Nets ended the Minnesota Timberwolves' longest winning streak in three years, 103-97.

Childs, taking over at point guard after Kenny Anderson's trade to Charlotte, also had 10 assists.

Armon Gilliam added 23 points and 12 rebounds, and the rookie Ed O'Bannon had a season-high 19 points as the Nets prevented the Timberwolves from getting a club record-tying fourth straight victory.

NBA ROUNDUP

New Jersey won Saturday despite dressing only nine players for the game. Kendall Gill and Khalid Reeves, the two new players obtained Friday in the trade, were ineligible because the Nets have asked for more time to examine Reeves's injured ankle. Jayson Williams, the backup center, also was unavailable after coming down with the flu.

Christian Laettner led Minnesota with 25 points, while Tom Gugliotta had 22 and Isaiah Rider 17.

The Nets took the lead for good at 98-97 when Childs hit a free throw after the Timberwolves were called for a technical foul on an illegal defense with 44.5 seconds to play in overtime.

Warriors 110, Hornets 102 In Charlotte, Latrell Sprewell scored 17 of his 20 points in the second half as Golden State snapped a three-game losing streak by beating the shorthanded Charlotte Hornets.

Joe Smith, a rookie who was the NBA's top draft pick, added 21 points and 20 rebounds — seven better than his previous season high — as the Warriors won in Charlotte for just the second time in eight games.

Glen Rice had 25 points and Dell Curry added 23 for Charlotte, which dressed just eight players and faded in the closing 18 minutes.

The Hornets had planned on starting Kenny Anderson, acquired in a trade Friday with the New Jersey Nets, at point guard. But Anderson and Gerald Glass, also picked up by Charlotte in the trade, were not allowed to suit up because the Nets had yet to complete their physical examination of Khalid Reeves, one of the two players Charlotte sent over in the deal.

Hawks 98, Heat 78 In Atlanta, the Hawks remained the second-hottest team in the NBA, getting 20 points from Grant Long and holding Miami to only 32 points in the second half to win their seventh consecutive game.

Long led six players in double figures for the Hawks, whose winning streak is their longest in more than two years.

Kings 115, Nuggets 110 Mitch Richmond scored 22 points, leading seven Sacramento players in double figures, and the Kings won in Denver. The loss was the fourth straight and third in a row at home for the Nuggets.

Two three-pointers in the waning seconds by Mahmoud Abdul-Rauf, the last with 23.8 seconds left, got Denver within 111-108. Denver fouled Walt Williams, who missed two free throws, giving the Nuggets a chance to tie. But Abdul-Rauf then lost control of the ball, which went out of bounds, and a jump ball was called. Lionel Simmons outjumped Abdul-Rauf, and Williams was fouled again, making two free throws with 14.2 seconds left, then two more seconds later.

Grizzlies 84, Knicks 80 In Vancouver, Byron Scott's 15-footer with less than 16 seconds left gave Vancouver the victory over New York. Anthony Avent made the second of two fouls shots for the final margin and Vancouver's eighth victory of the season.

Patrick Ewing had 23 points and a season-high 23 rebounds for the Knicks and Hubert Davis, coming off the bench, added 14 points.

Jazz 106, Clippers 82 Karl Malone scored all 21 of his points in the first three quarters and Utah held Los Angeles to a season-low 32 percent shooting as the Jazz cruised to victory in Anaheim.

Brent Barry, a rookie, scored a career-high 22 points in place of the injured point guard Pooh Richardson as the Clippers lost their fourth in a row.

The 82 points represented the Clippers' second-lowest total of the season.

Cavaliers 93, Lakers 82 Danny Ferry and Terrell Brandon scored 19 points each as visiting Cleveland beat Los Angeles for its 21st victory in the last 30 games.

Michael Cage added 16 points, and Cage and Ferry had 10 rebounds each while Brandon had 10 assists for the Cavaliers, who have won 21 of 30 since starting the season with seven straight losses.

Against Cleveland, the NBA's best defensive team, the Lakers equalled their season-low point total.

Nick Van Exel led the Lakers, who had their four-game winning streak snapped, with 17 points. Cedric Ceballos had 15 for Los Angeles.

The Cavaliers never trailed after the opening minute.



Doug Collier/Agence France-Presse

Kurt Thomas outjumping Hawks' defender Craig Ehlo to score for Miami.

Modell Might Swap Browns for New Team

By Leonard Shapiro
Washington Post Service

WASHINGTON — The National Football League is considering a scenario it hopes could solve the problem of the Cleveland Browns moving to Baltimore.

It would include the Browns' owner, Art Modell, giving up his ownership to the league until a new stadium is built in Baltimore, where Modell would be awarded an expansion franchise.

At that point, new ownership would be found for Cleveland, allowing the city and its fans to achieve their goal of keeping the franchise it has had for 50 years, with its name and colors.

A source within the league described that proposal as "the most probable" scenario — from the NFL's point of view — now under discussion, though it still has not been determined whether Modell would go along. Modell would retain his ownership of the team in trust in Cleveland under the proposal, with the league essentially running the franchise for him until he got a team for Baltimore.

"I think that's an absurd concept," said John Moag, the chairman of the Maryland Stadium Authority.

"I've heard eight different scenarios today alone, and they're coming from all over the place," he said. Art Modell has a football team. Why would he take a powder and let somebody else run it?"

Modell was not available for comment. But his previous comments suggested the team was not for sale.

Under terms of Modell's agreement with the Maryland Stadium Authority, his team would play its games in Memorial Stadium for two years until a new, $200 million, facility is completed near Camden Yards. Modell has a rent-free deal in the new stadium that also gives him all concession, parking and billboard revenue.

An NFL spokesman said the league is studying all its options prior to a Feb. 8 meeting to vote on the Browns' proposed move to Baltimore next year.

According to Moag, Modell now believes he has enough votes from his fellow owners to approve the move.

"I'm relying on Art and the rest of his people," Moag said in a telephone interview. "They are very upbeat and positive about the meeting. He felt he made his point and they were very receptive to what he said. He thinks it will be approved. Art has the votes."

It will take a three-fourths majority vote of the 30 teams, or 23 yes votes, to approve the move, barring abstentions.

Between now and then, the owners and NFL attorneys also will be mulling the consequences of a $36 million federal antitrust suit filed Thursday by the state of Maryland and the Maryland Stadium Authority against the NFL and 29 of the league's 30 teams.

But that suit — with the Browns the only team not named — would not come to trial until long after the owners vote next month. And Moag said again this week that if the move to Baltimore is approved, the lawsuit almost certainly would be dropped.

"Yes, I presume it would (be dropped) if they vote to let the team go (to Baltimore)," Moag said. "We were not pleased that they didn't vote (at meetings in Atlanta this week). But we are heartened that it's scheduled for resolution pretty quickly."

The NFL issued a brief statement on the lawsuit, saying "the timing of the suit is odd" because the Feb. 8-9 meeting to resolve the issue had been announced earlier in the day by Commissioner Paul Tagliabue. "We hope the suit does not delay that already planned vote."

THIS WEEK ON EUROSPORT



In the heat of Melbourne, will Andre Agassi still wear the Australian crown? And who will be Europe's new ice Queen at the European Figure Skating Championships?

Tennis	:	15 Jan - 28 Jan, LIVE, The Australian Open. The best action throughout the week from 1996's first Grand Slam.
Figure skating	:	23 Jan - 28 Jan, LIVE, The European Figure Skating Championships. Surya Bonaly goes for her sixth European title in Sofia, Bulgaria.
Football	:	13 Jan - 3 Feb, LIVE, The African Nations Cup. European and World footballer of the year George Weah performs on the world stage for Liberia.
Alpine skiing	:	26 Jan - 27 Jan, LIVE, The World Cup from Sestriere. Alberto Tomba takes on the world at his "home" course.
Golf	:	26 Jan - 28 Jan, LIVE, The Johnnie Walker Classic. Fred Couples defends his title in Singapore.

Eurosport, the sports TV channel for Europe, covering the best action from Europe and around the world, is available throughout Europe via cable and satellite.

Arizona Shoots Down No. 13 UCLA's Defense

The Associated Press

Almost unnoticed among the impressive numbers No. 13 UCLA brought to the McKale Center in Tucson was a defensive statistic that explained the others — the Bruins hadn't allowed an opponent to shoot over 50 percent this season.

That went by the boards when Miles Simon and Michael Dickerson led No.18 Arizona to a 51.7 percent effort and snapped UCLA's 15-game Pac-10 winning streak, 88-79.

COLLEGE BASKETBALL

Simon, who scored a career-high 28 points while hitting nine of 16 shots, including six of nine three-pointers. Dickerson made all four of his three-pointers, hits six of nine shots from the field, and made a key defensive play in the final minutes.

The Bruins (12-4, 5-1 in Pac10) had won their last 10 games overall and swept Arizona last season, but they couldn't withstand the three-point barrage of the Wildcats (13-3, 3-2), who made eight in the second half and 13 of 20 in the game.

UCLA's coach, Jim Harrick, saw a different reason for the loss. Reggie Geary, the Arizona guard, had nine assists and Simon seven as they got the ball to Dickerson and the center, Ben Davis.

Davis had 15 points and 14 rebounds, his fifth double-double this season and second in as many games since Joseph Blair, the Wildcats' top big man, was declared academically ineligible.

No. 7 Villanova 76, No. 10 North Carolina 58 The seventh-ranked Wildcats pulled away from the 10th-ranked Tar Heels (13-4) with a 24-8 burst midway through the second half to hand North Carolina its worst defeat in two years.

Villanova (14-3), playing in front of the largest basketball crowd in Philadelphia history, got an outstanding game from Kerry Kittles at both ends. Kittles scored 23 points and played some tight defense on Dante Calabria, who was held to seven points.

The performance came 11 days after Kittles suffered a groin strain that has left him hobbled the last three games.

Calabria, who normally averages 14 points a game, was held to two-of-11 from the field.

Arkansas 80, No. 21 Mississippi St. 68 In Fayetteville, the host Razorbacks outrebounded Mississippi State, 40-25, on their way to victory over the 21st-ranked Bulldogs. Arkansas had a 17-5 edge in offensive rebounds.

Derek Hood and Sunday Adebayo of Arkansas had 10 rebounds each, including five offensive rebounds by Hood.

Pat Bradley came off the bench and scored two three-pointers during a 16-0 run that gave Arkansas a 34-27 lead late in the first half. His two free throws put the Razorbacks (10-6, 3-2 Southeastern Conference) ahead to stay, 29-27. Erick Bullard led the Bulldogs (11-4, 3-3) with 19 points.

Marquette 59, No. 9 Memphis 55 Marquette upset the Tigers before a crowd of 14,515 at Milwaukee's Bradley Center, led by Amal McCaskill's 19 points.

Marquette (12-3, 3-1 Conference USA) beat Memphis for the seventh straight time in Milwaukee and improved to 11-0 at home this season.

Lorenzen Wright scored 18 points for Memphis (12-3, 3-1).

Tennessee 67, No. 22 Georgia 62 In Knoxville, Tennessee beat a ranked team for the first time since 1993. The 67-62 upset of No. 22 Georgia came behind Steve Hamer's 21 points and a collection of offensive rebounds, defensive stops and scrambles for loose balls in the closing minutes.

Hamer scored 12 of his 21 points in the final eight minutes for Tennessee (9-7, 2-4). Pertha Robinson and Shandon Anderson led Georgia (11-4, 2-3) with 13 points each.

Michigan St. 62, No. 16 Iowa 60 Quinton Brooks's tip-in of Ray Weathers's miss with 5.6 seconds remaining gave Michigan State, playing in East Lansing, the Big Ten Conference victory. Brooks led the Spartans (9-8, 3-2) with 18 points and 10 rebounds.

Chris Kingsbury's three-point basket with 41.1 seconds to go had pulled Iowa (14-4, 3-3) into a 60-60 tie.

RUGBY France Sinks England p.16 **ICE HOCKEY** Bourque Is the Star of All-Star Game p. 17 **SKIING** Tomba's Quick Crash p. 16

Herald International Tribune
SPORTS

WORLD ROUNDUP

Agassi Rises as Stars Start to Fall in Australian Open

Bulls Roll On

BASKETBALL Michael Jordan scored 36 points and Scottie Pippen added 22 as the Chicago Bulls rolled to a 111-96 victory Sunday over the Detroit Pistons, who had won five in a row at home. In the process, the Bulls (34-3) extended two streaks, winning their 11th straight game and beating the Piston for the 13th time in a row.

Raptors 97, Celtics 95 Damon Stoudamire's short baseline jumper with 11.8 seconds left gave the Toronto Raptors their first fourth-quarter comeback victory of the season. *(AP)*

[NBA Roundup, Page 17]

England Crumbles

CRICKET England's disastrous tour of South Africa finished in another defeat Sunday when it lost by 64 runs in the seventh and final one-day international. In reply to South Africa's 218 runs for nine wickets, England collapsed to 154 all out. South Africa took the one-day series, 6-1. *(Reuters)*

•Australia clinched the World Series Cup with an eight-run victory over Sri Lanka in the second game of the best-of-three final. Set a target of 168 runs from 25 overs curtailed by rain, Sri Lanka finished on 159 for eight. The match was marred by heated exchanges between players. Afterward several Sri Lankan players appeared to refuse to shake hands with Australia's captain, Mark Taylor. *(Reuters)*



Blair Sell/Reuters

Rudy Galindo, the new U.S. men's figure skating champion.

Galindo Is Perfect

Rudy Galindo scored two perfect marks as he won the U.S. Figure Skating Championships in San Jose, California, his hometown. Before a chanting crowd on its feet long before he finished, Galindo, 26, earned two 6.0s for presentation and scored 11 5.9s for technical merit and presentation to edge Todd Eldredge.

Michelle Kwan won the women's event. Nicole Bobek, the reigning champion, withdrew just before her free skating program, citing an injured right ankle. Tonia Kwiatkowski was second and Tara Lipinski, 13, was third. *(AP)*

Cowboys Strike It Rich

FOOTBALL The Dallas Cowboys payroll is $62.4 million, according to the NFL Players Association. By contrast, the Pittsburgh Steelers, Dallas' opponent in next Sunday's Super Bowl, have a payroll of $37.4 million. Dallas used lavish signing bonuses to circumvent the $37.1 million salary cap while luring stars such as Deion Sanders. The Cowboys paid more than $41 million in signing bonuses — more than most teams spent in total compensation in 1995. *(LAT)*

Muster Upset By Unseeded Swede in 4 Sets

By Christopher Clarey
Special to the Herald Tribune

MELBOURNE — Three disparate men dominated men's tennis in 1995: Pete Sampras, Andre Agassi and that moaning, groaning Austrian baseliner with the fragile left knee and iron will, Thomas Muster.

As of Sunday evening, only Agassi was still in the Australian Open.

Less than 24 hours after the top-seeded Sampras was stunned by the young Australian Mark Philippoussis, the third-seeded Muster was upset in the fourth round by Mikael Tillstrom of Sweden, another player with very little Grand Slam experience and lots of talent.

Tillstrom's 7-5, 4-6, 6-3, 6-2 victory not only dealt a blow to Muster's healthy ego, it struck a serious blow to his chances of becoming No. 1 in the world at this tournament.

Agassi can now reclaim the top ranking he lost to Sampras in November by winning his quarterfinal match against a fellow American, hard-hitting Jim Courier.

Not that Agassi is spending nights walking up and down that dangerous staircase in his hotel room, consumed with his ranking.

"If I don't win this tournament, I don't want to be ranked Number One," said Agassi after rallying to defeat Jonas Bjorkman of Sweden, 4-6, 6-2, 4-6, 6-1, 6-2.

When Agassi won this tournament last year, he lost only one set, and that was in the final.

This year, in his first extensive action since last year's U.S. Open, he already has lost five.

He went five sets in the first round on a bruised knee against Gaston Etlis, a qualifier and four sets in the third round against another qualifier, Steve Bryan. Then he went five more against Bjorkman, one of the world's best doubles players and the owner of a fine, all-around game.

"With these matches under my belt, I could change quickly, but I wouldn't say I'm at my peak," Agassi said.

Neither is Courier, who won 7-5, 2-6, 4-6, 6-4, 6-2 on Sunday over Marcus Ondruska, a South African with a Munich address.

It was Courier's second consecutive five-set victory and second consecutive underwhelming performance from the baseline.

"Too many hours, not by choice but by necessity," said Courier, who holds a 7-5 career edge over Agassi and has won their last six matches, five of which came in 1991 and 1992.

"I'm looking forward to it," Agassi said about the next match. "I think Jim's definitely a rock 'em, sock 'em kind of tennis player."

So is Monica Seles, the No. 1 women's seed, who blasted her way into the quarterfinals with a 6-1, 6-3 victory over No. 15 seed Naoko Sawamatsu of Japan.

Seles has yet to lose a set in four matches but could face a slightly sterner test in the quarters against No. 7 seed Iva Majoli, a Croatian with a big baseline game patterned after the Yugoslavian-born Seles.

The only mild surprise for the women was Chanda Rubin, an American, with a convincing 6-2, 6-4 victory over No. 6 Gabriela Sabatini of Argentina.

Rubin, seeded 13th here, is a well-established threat, and Sabatini is no Sampras. Rubin reached the quarterfinals of the 1995 French Open, the fourth round of the 1995 U.S Open and beat both Sabatini and Arantxa Sánchez Vicario at a tour event in Los Angeles last year.

With her compact, fairly complete game and flat strokes, the 19-year- old Rubin was the one controlling play.

Her quarterfinal opponent will be Sánchez Vicario, seeded third here, who defeated No. 9 seed Mary Joe Fernandez, 6-3, 6-3, avenging her defeat against Fernandez at the last U.S. Open.

"We'll see how far I can take it this time," Rubin said. "I stopped at the quarters at the French, so hopefully I can take this a little bit further."

Muster, too, would have loved to go further, but he was strangely muted on Center Court against Tillstrom, missing forehand after forehand and failing prey to the Swede's frequent dropshots and abrupt changes of rhythm.

Asked whether the twisted ankle he suffered in the third round had affected his play, he responded cryptically: "It's like being in court: anything I say can and will be used against me, and therefore I'm not going to say anything at all."

Muster, whose bristling on-court persona contrasts with his measured manner off it, clearly is weary of attacks from his peers.

Boris Becker and Guy Forget of France both accused him of melodramatic on-court behavior after he cramped in matches against them in 1995. Several top players have openly mused whether someone who plays most of his tennis on one surface (clay) deserves to become No. 1.

"I think there is nobody No. 1 who doesn't deserve it," Muster said. "It's not that you buy your points in the supermarket."

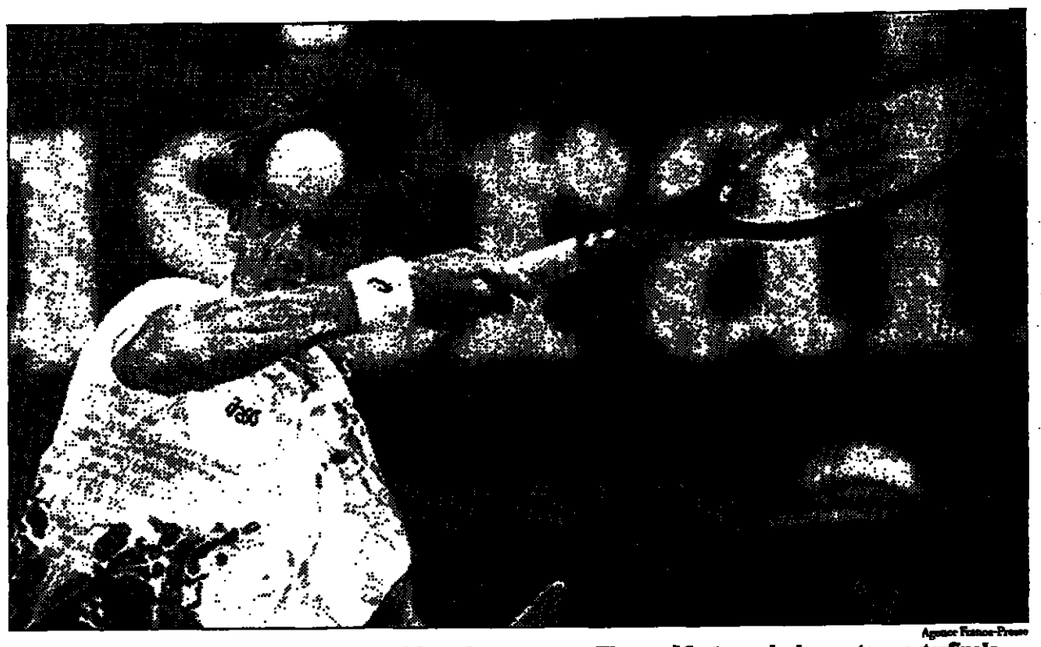
Nonetheless, he could often not buy a point against Tillstrom, a 24-year- old who was considered a great prospect in Sweden when he reached the final of the 1990 U.S. Open junior tournament but has been held back by ankle injuries and chronic knee problems.

He reached the fourth round of the 1992 French Open, but from July to December in 1994, he did not even play a tournament, staying home in Gothenburg, undergoing therapy in a swimming pool and waiting for his knees to stop throbbing long enough to go for a run.

Since upsetting Goran Ivanisevic in the first round of the French Open last year, he has remained healthy, and after trying and failing twice to qualify here in the past, he was accepted into the main draw this year with a ranking of 118.

Now, in only his third Grand Slam tournament, he will play the No. 5 seed, Michael Chang, in the quarterfinals.

Chang has yet to lose a set in four matches. The sobering news for Chang fans is that he has yet to play anyone ranked higher than 37.



Agence France-Presse

Mikael Tillstrom of Sweden displaying surprising talents to unseat Thomas Muster and advance to quarterfinals.



Craig Wood/AFP

Moans and groans from Muster.

Sampras Loses, In Same Way He Once Won

Special to the Herald Tribune

MELBOURNE — In 1990, a remarkably composed 19-year-old of Greek origin played nearly flawless power tennis against his elders in his national tennis championship.

After Saturday's stunning straight-set loss to Mark Philippoussis in the third round of the Australian Open, Pete Sampras now knows what it feels like to be on the receiving end.

Philippoussis, a remarkably composed 19-year-old Australian whose father emigrated from Greece, was nearly flawless throughout his 6-4, 7-6 (11-9), 7-6 (7-3) center court victory.

He served 29 aces. He covered the net like the goalkeeper his father once was and ripped winners and passing shots relentlessly off both sides. He consistently attacked Sampras's second serve.

Most remarkable, he never cracked. From start to finish, he was rearing back, swinging for the lines and hitting them against the world's No. 1 player. When Philippoussis walked off the court, with 13,000 fans on their feet screaming, the teenager who was born and reared in Melbourne was the biggest thing to hit Australian tennis since Pat Cash.

"Tonight was like nothing I've felt before," said Philippoussis, who is 6 feet 4 (1.93 meters) and 200 pounds (90.7 kilograms) and plays like it. "I felt so confident on the serve. I felt like I could just toss it up and hit an ace how I wanted to. It was an unbelievable feeling."

Philippoussis, ranked 39th and nicknamed "Scud" for obvious reasons, still has a long way to go to match Sampras, who rolled all the way to the 1990 U.S. Open title at age 19. If he gets past Mark Woodforde in round four, he probably will have to deal with No.11 Goran Ivanisevic or No.7 Thomas Enqvist.

"If Mark can play at the level that he played tonight, he's got the capability to win here, sure," Sampras said. "But that's a big if."

Sampras was not at his sharpest. He got only 54 percent of his serves in play, hit just five aces and failed to return serve particularly well even when Philippoussis gave him an opportunity. What was unusual was that Sampras was perpetually on the defensive.

Now, the question is whether Australians, without a new champion since Cash won Wimbledon in 1987, will give Philippoussis a chance to catch his breath. Even before Saturday night's match, the likes of Jim Courier and Becker were warning the tennis community not to put too many expectations on his broad shoulders too soon.

— CHRISTOPHER CLAREY

A Little Local Difficulty Costs Real Madrid Coach His Job

WORLD SOCCER

Reuters

Jorge Valdano was fired as coach of Real Madrid Sunday after his team lost at home to tiny Madrid Rival Rayo Vallecano and was booed off the field by 60,000 fans.

Guilherme put the visitors ahead after just three minutes, Raúl González evened the score a minute later from a free kick, but Guilherme scored the winner after an hour. Real was booed off the field by its supporters. Rayo can be far happier with its position in the league, 14th, than Real with eighth place.

Spain's other struggling giant, Barcelona, climbed into third place after eking out a 1-0 home victory over Valladolid in front of just 65,000 fans. José Maria Bakero scored the only goal in the 54th minute.

Compostela remained second after being held to a 1-1 tie by its Galician rival Celta Vigo. Bent Christensen put Compostela ahead after 16 minutes. Juan Sánchez equalized for Celta.

Espanyol slipped to fourth despite twice fighting back at Salamanca. Angel Medina put Salamanca ahead but 0 Arteaga equalized. With 13 minutes left José Del Solar gave Salamanca the lead again, but one minute later José Pacheta made the final score 2-2.

NETHERLANDS Ajax Amsterdam was still looking for its first victory of 1996 after its match Sunday against Sparta Rotterdam in the Dutch first division ended 3-3.

Ajax, the division leader with 53 points is just three ahead of PSV Eindhoven, which beat Heerenveen, 3-1, on Friday. Third-placed Feyenoord beat Volendam, 3-0, on Sunday.

Ajax, which last week lost its 53-match unbeaten league record, losing 1-0 to Willem II Tilburg, fell behind as Nico Jalink of Sparta struck after six minutes. Ajax equalized after 15 minutes with a header by defender Winston Bogarde and, three minutes later, Arnold Scholten put Ajax ahead from a rebound. Dennis Krijgsman scored for Sparta a minute later then Dennis de Nooijer, Sparta's top scorer, put his club ahead after 30 minutes.

Sparta controlled much of the second half, but Ajax pulled even in the 62nd minute on a goal by Peter Hoekstra.

ITALY Goals by Gabriel Batistuta and Francesco Baiano earned second-placed Fiorentina a 3-0 victory Sunday at Turin to keep up the pressure on Milan, the Italian league leader, which beat Padua with a Roberto Baggio penalty.

With Parma beating Atalanta, 2-0, and Juventus, the defending champion, relying on a last-minute goal from Pietro Vierchowod to tie 3-3 at Cremonese, the top four places in Serie A remain unchanged.

Batistuta set Fiorentina on its way, rounding off a superb three-man move involving Baiano and Anselmo Robbiati in the 58th minute. Baiano added a second in the 69th, striking on the counterattack before Batistuta's 13th goal of the season completed Turin's first defeat in six games.

At San Siro Stadium, Milan again missed George Weah, absent at the African Nations' Cup. Despite creating a host of chances, Milan needed a 56th-minute penalty kick by Baggio to take the lead.

Parma's second successive home victory was marked by a stunning goal by the midfielder Gabriele Pin in the 37th minute. Pin dummied past one opponent before unleashing a30-meter (33-yard) shot.

ENGLAND A superbly struck shot by Dwight Yorke 11 minutes from the end of regulation gave Aston Villa a 2-1 victory Sunday over Tottenham in a pulsating English Premier League match.

The victory lifted Villa from ninth to fifth and denied the Spurs the chance to move into second place.

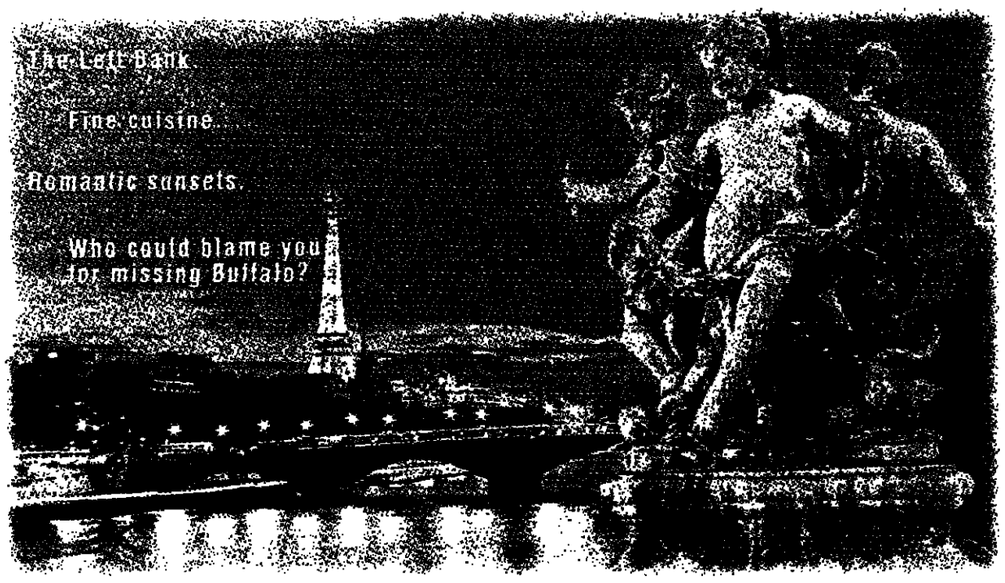
Villa went ahead after 23 minutes when Paul McGrath, the veteran centerback, lashed a loose ball past the goalkeeper, Ian Walker. It was McGrath's first goal for Villa for two years. Three minutes later, the ball took a deflection off his leg from a Ruel Fox shot to even the score for the Spurs. Villa dominated the second half, although the game seemed destined to end in a tie until Yorke's winning goal. The Spurs almost equalized in the last minute when Sol Campbell sent a header over the bar.

Newcastle, which beat Bolton, 2-1, on Saturday, leads the standings, 12 points ahead of Liverpool and Manchester United. United has a chance to reduce the gap when it plays Monday at West Ham.

AFRICA Ivory Coast kept alive its hopes of qualifying for the last eight of the African Nations' Cup with a 1-0 victory Sunday over Mozambique in Port Elizabeth, South Africa. A 33rd-minute goal from Ivory Coast's captain, Joel Tiehi, gave his team the points in a Group D match.

Ghana leads the group with six points from two games, followed by Ivory Coast with three and Tunisia and Mozambique with one each. In the final round Wednesday, Mozambique plays Ghana, which has already qualified, and Tunisia meets Ivory Coast.

Ivory Coast scored after a goalmouth scramble.



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